

# LUISS



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Redefining Innovation: Leveraging Generative AI to Enhance Dynamic Capabilities, Organizational Resilience, and Human Creativity. Cross-national comparison analysis between legal service firms in Italy and Kazakhstan.

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# Table of Contents

|  |    |
|--|----|
| Chapter 1. Introduction. ....  | 4  |
| 1.1 Background of the study.....                                     | 4  |
| 1.2. Problem statement. ....   | 5  |
| 1.3. Research objectives.....  | 6  |
| 1.4. Research questions.....   | 7  |
| 1.5. Significance of the study.....                                  | 7  |
| 1.6. Scope and limitations. ....                                     | 8  |
| Chapter 2. Literature review. ....                                   | 10 |
| 2.1. Key concepts and theories.....                                  | 10 |
| 2.2. Review of related studies. ....                                 | 15 |
| 2.3. Critical analysis. ....   | 17 |
| 2.4. Theoretical framework. ....                                     | 20 |
| 2.5. Conceptual Framework.....                                       | 21 |
| Chapter 3. Methodology. ....   | 26 |
| 3.1 Research Philosophy and Rationale for Qualitative Approach. .... | 26 |
| 3.2. Research design. ....   | 29 |
| 3.3. Data collection. ....   | 31 |
| 3.4. Interview Guide and Theoretical Alignment.....                  | 33 |
| 3.5. Data Analysis and Interpretation Approach. ....                 | 34 |
| 3.6. Ethical Considerations and Trustworthiness. ....                | 35 |
| Chapter 4. Results and Findings. ....                                | 37 |
| 4.1. Overview of the Chapter. ....                                   | 37 |
| 4.2. Within-Case Analysis. ....                                      | 38 |
| 4.2.1. Company A: GRATA (Kazakhstan). ....                           | 38 |
| 4.2.2. Company B: AVC (Kazakhstan). ....                             | 43 |
| 4.2.3. Company C: Chiomenti (Italy). ....                            | 49 |
| 4.3. Cross-Case Analysis.....  | 56 |
| 4.3.1. Patterns across cases.....                                    | 56 |
| 4.3.2. Contrast Between Contexts.....                                | 58 |
| 4.3.3. Organizational Capabilities and Enabling Mechanisms. ....     | 62 |
| 4.4. Interpretation Through Theoretical Lenses. ....                 | 64 |
| Chapter 5. Discussion. ....  | 67 |

|   |    |
|---|----|
| 5.1. Interpretation of Findings. ....                   | 67 |
| 5.1.1. Human-AI Collaboration of Findings. ....         | 67 |
| 5.1.2. Innovation and Workflow Transformation. ....     | 68 |
| 5.1.3. Organizational Enablers and Barriers. ....       | 69 |
| 5.1.4. National and Cultural Influences. ....           | 70 |
| 5.2. Comparison with Previous Studies. ....             | 71 |
| 5.3. Implications of the Study. ....                    | 73 |
| 5.4. Limitations of the Study. ....                     | 74 |
| Chapter 6. Conclusion.....                              | 78 |
| 6.1 Summary of Key Findings ....                        | 78 |
| 6.2 Theoretical Contributions ....                      | 80 |
| 6.3 Practical Implications.....                         | 81 |
| 6.4 Limitations and Directions for Future Research..... | 82 |
| 6.5 Final Thoughts .....                                | 82 |

## Chapter 1. Introduction.

### 1.1 Background of the study.

In recent years, Generative Artificial Intelligence (GenAI) has emerged as a transformative force across all industries, shifting and changing the view of creativity, efficiency, and strategic decision-making. GenAI was introduced to the public in 2022 and has quickly grown in attention and popularity, mainly because of platforms like OpenAI's GPT-4, Google's Gemini, and Anthropic's Claude, which, unlike traditional AI systems that rely on predictions and classification, are able to generate original content, including texts, images and even music. Even though at first it was used by individuals in the realms of their homes for fun and entertainment, later on it also reshaped the way businesses operated. AI is attractive to companies because it's easy to use, automates tasks, and proposes new fundamental ways in which they can deliver value. After all, generative AI not only improves workflows but also enables the creation of entirely new products, services, and business models.

While GenAI tools offer transformative technology, harnessing their full potential requires more than just advanced models for successful adoption. Companies must reconsider their approach to change, promote innovation, and strengthen internal capabilities to remain resilient and competitive. In an ever-changing environment complicated by digital transformation, geopolitical instability, and evolving consumer demands, dynamic capabilities have become essential for companies to succeed and survive. This involves the ability to combine, extend, and optimize capabilities within and across organizational boundaries. Similarly, organizational resilience, or in other words, the ability to adapt and

thrive in the face of disruption, has become a critical strength for firms pursuing sustainable GenAI integration.

This thesis examines how companies are adapting their organizational workflows, internal processes, and cultural norms to leverage GenAI technologies effectively and in the long term. While existing literature has thoroughly explored the technical capabilities of generative AI, there remains a significant gap in our understanding of how internal organizational changes influence the effectiveness of its adoption and use. By focusing on these organizational changes, the study aims to offer both academic insights and practical strategies that can help companies become more innovative and better prepared for the complexities of the digital world.

## 1.2. Problem statement.

As stressed previously, little attention has been given to how organizations internally adapt to the changes that the usage of GenAI brings. Most existing research focuses on how to improve GenAI technical capabilities to better meet the needs of businesses, automation potential, or risks related to legal and ethical concerns. There is limited understanding of how firms develop and change their internal structures, knowledge sharing practices, and collaboration processes in response to GenAI.

This gap is crucially relevant since GenAI is used not only for the automation of repetitive tasks, but also to support and navigate knowledge work, decision-making, and creative functions. Nowadays, organizations are experimenting with GenAI in fields like marketing, R&D, and HR, where human expertise was the center. However, the long-term organizational impact of these changes remains unclear. As companies try to integrate GenAI into their

workflow, many face challenges related to employee hesitation, unclear governance, capability gaps, and the continuous evolution of industry standards.

There are three key areas that particularly require further research:

1. How businesses embed GenAI into their broader digital transformation strategy.
2. The synergy of human-AI collaboration in creative and decision-making tasks.
3. The factors that facilitate or hinder the impact of GenAI in practice, such as leadership attitudes, culture of innovation, and ethical implications.

Therefore, this thesis approaches this research gap by studying non-technical, strategic, and cultural factors of GenAI adoption in companies from the same sector but with different levels of GenAI maturity.

### 1.3. Research objectives.

The overarching goal of this research is to investigate how companies adopt, integrate, and adapt to GenAI technologies in a real-world context. Specifically:

- To examine how organizations strategically implement Generative AI and adapt their processes, roles, and workflows in response.
- To analyze GenAI's impact on organizational creativity, innovation processes, and internal dynamic capabilities.
- To identify crucial differentiators by comparing companies that effectively leverage GenAI with the companies that face struggles or resist adopting it.

- To explore whether national or cultural contexts influence how GenAI is implemented, especially in cases where companies are based in different countries (e.g., Kazakhstan and Italy).

#### 1.4. Research questions.

Following the objectives mentioned earlier, this thesis is guided by the following research questions:

1. Does Generative AI replace or augment human creativity, and how is this manifested in organizational practices?
2. How does GenAI affect innovation and operational transformation, particularly in relation to knowledge creation, collaboration, and workflow design?
3. What organizational factors (enablers and barriers) influence the successful integration of GenAI technologies?
4. To what extent do national or cultural factors impact the approach and success of GenAI adoption?

These questions aim to shed light on how GenAI reshapes and changes innovation and resilience, and what competencies companies should develop to harness its full potential.

#### 1.5. Significance of the study.

This research holds significance on multiple levels:

- Academic contribution. This study enriches organizational theory by connecting Generative AI with the concept of dynamic capabilities and innovative management. It supports the theoretical frameworks that explain how companies adapt to technological change, particularly through human-AI collaboration and digital

transformation. Moreover, it adds to evolving studies on AI ethics and organizational change management by exploring cultural and strategic hurdles that companies face when adopting GenAI.

- Managerial relevance. This thesis provides valuable insights for organizations looking to navigate digital disruption and effectively incorporate GenAI into their existing structures and workflows. The real-life case studies will highlight which of the dynamic capabilities, such as digital knowledge, adaptability, and innovation culture, are the most crucial ones when it comes to drawing value from GenAI and its implementation.
- Impact on policy. The findings might also support policymakers and institutional leaders to put more effort towards policies around sustainable and informed usage of GenAI, particularly since the regulatory clarity and technological infrastructure are yet to be developed. By pointing out the challenges in the organizational context and the success factors, this study promotes more responsible and context-aware implementation of AI-driven technologies. By focusing on real-life cases and comparative analysis, this study connects technical potential and organizational realities, contributing insights on what drives successful GenAI implementation in dynamic environments.

#### 1.6. Scope and limitations.

This thesis adopts a qualitative case study approach, focusing on three companies in Kazakhstan's legal consultancy sector that appear to have different levels of GenAI adaptation. Based on preliminary information, one of the companies is actively using GenAI

in their business operations, the other one is experimenting with it but struggles with integration, and the last one is refusing to implement it at all. This approach reveals how different levels of technological engagement influence innovation practices, organizational capabilities, and strategic adaptability within the shared sector and national context.

In addition to the Kazakhstani companies, the research might be extended to include one or more Italian companies operating in the same sector. This potential comparative analysis aims to present whether different national contexts, including digital infrastructure, regulatory environment, and organizational culture, influence GenAI adoption. Nevertheless, the inclusion of Italian cases will depend on the availability of the participants and accessibility of relevant data.

Stating that, the main limitations of this research are:

- Feasibility of cross-country comparison analysis. While the cross-national perspective can add valuable insights to this study, its feasibility is tightly related to the accessibility of relevant Italian organizations
- Specificity of the sector. The analysis is centered around legal consultancy, which can influence the applicability of the findings in other sectors.
- Small sample size. This study prioritizes a deep understanding of the qualitative insights rather than statistical generalization.
- Lack of technical knowledge. The focus of this study is on the organizational, cultural, and strategic dynamics rather than the technical or algorithmic features of GenAI.

Despite these limitations, the study aims to generate meaningful, authentic, and context-specific insights into how professional service firms approach GenAI adaptation and how internal factors influence it.

## Chapter 2. Literature review.

### 2.1. Key concepts and theories.

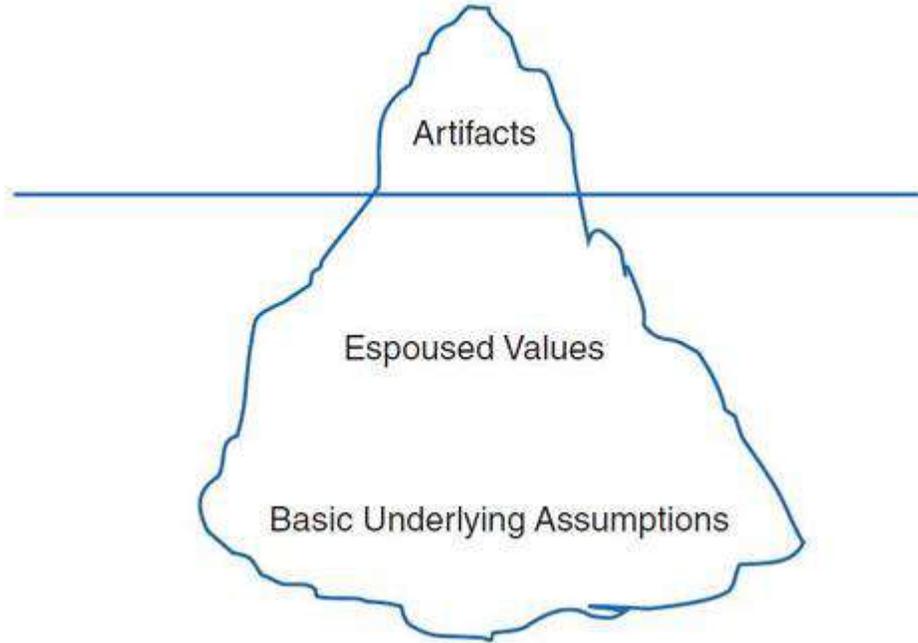
This chapter highlights the core theoretical ideas behind the research and explores important organizational theories that shed light on how companies adapt to generative AI.

Dynamic capabilities theory, developed by David J. Teece, along with Gary Pisano and Amy Shuen, refers to a firm's ability to integrate, build, and reconfigure internal and external competencies in response to rapidly changing environments. It distinguishes itself from operational capabilities, which focus on maintaining current operations, whereas dynamic capabilities emphasize adaptation, innovation, and strategic change. Mikalef and Gupta (2021) bolster the importance of dynamic capabilities, emphasizing the need to manage organizational change and the ability to reconfigure resources in order to integrate AI tools successfully.

Building on this, organizational resilience refers to the company's ability to adapt, recover, and thrive in the face of challenges. Since GenAI adaptation presents both disruption and opportunities, resilience is essential. Firms that invest in upskilling, cultivate an adaptive mindset, and promote innovation have a higher chance of benefiting from GenAI adaptation (McKinsey, 2023).

In addition to resilience, the introduction of GenAI has shifted the foundation of innovation from purely human-driven to collaborative human-machine interaction. Holzner et al. (2023) emphasize the role of GenAI in enhancing idea generation, stimulating creative thinking, and continuous content creation, although dependent on how humans interact and supervise these tools. Innovation management in this context involves aligning and structuring workflows that leverage GenAI capabilities (e.g., rapid synthesis and content prototyping) while also ensuring that the decision-making process and the output interpretation are solely guided and monitored by humans. Dellermann et al. (2021) suggest that successful innovative human-ai collaboration lies in mutual learning, clear boundaries of authority, and systems that can adapt to the received feedback.

However, technological change alone is not enough, organizational culture is the driving force behind how new technologies are perceived, adopted, and developed. According to Schein (1985), culture operates at three levels: artifacts, espoused values, and underlying assumptions (tab. 2.1). When GenAI is introduced to an organization, it often conflicts with established beliefs regarding creativity, expertise, and accountability. Hofstede's dimensions (tab. 2.2) (e.g., power distance, uncertainty avoidance) provide further insight into the variations in organizational responses to GenAI. For instance, companies with low uncertainty avoidance and decentralized decision-making structures may embrace GenAI more quickly. A clear vision, engaging individuals at all levels, and achieving early small successes to maintain high motivation are essential steps for transforming organizational culture, as indicated by change management research by Kotter (1996).



*Table 2.1. Schein's Three Levels of Culture*

*Source: Schein, 1985, adapted from lecture slides*

|     |                                  |
|-----|----------------------------------|
| PDI | • Power Distance                 |
| IDV | • Individualism vs. Collectivism |
| MAS | • Masculinity vs. Femininity     |
| UAV | • Uncertainty Avoidance          |
| LTO | • Long Term Orientation          |
| IVR | • Indulgence versus Restraint    |

*Table 2.2: Hofstede's Cultural Dimensions*

*Source: Adapted from lecture slides on cross-cultural management, based on Hofstede (1991)*

Beyond culture, organizations must also balance short-term efficiency with long-term innovation, which is where ambidexterity becomes vital. Organizational ambidexterity refers to the simultaneous pursuit of exploration (innovation and experimentation) and exploitation (efficiency and perfection of existing structures). O'Reilly and Tushman (2013) argue that long-term successful performance relies on managing both pursuits. GenAI adoption exemplifies this challenge, firms must integrate AI into operations to boost productivity (exploitation) while experimenting in introducing new applications, such as AI-assisted creativity and strategic forecasting (exploration). Balancing both requires cognitive and

structural flexibility, including dual operating systems, adaptive leadership, and resilient systems that respond effectively to user feedback.

Finally, another key concept is ethical governance and algorithmic accountability. The rise of GenAI brought ethical risks like data privacy, misinformation, and algorithmic biases. McKinsey (2023) argues that technical innovation must go along with governance innovation. Defining AI autonomy limits, implementing review mechanisms, and promoting transparency when it comes to data sources and model limitations are all part of ethical governance. Humphreys et al. (2024) point out that because of their overly optimistic outlook, companies might neglect critical safeguards, increasing vulnerability to cyber threats.

To better understand the complexity of GenAI adoption, this thesis is approaching the research through the lens of a critical realist perspective. This method emphasizes that organizational outcomes are not shaped solely by visible decisions, instead they are shaped by deeper, often invisible structures such as cultural norms, internal power relations, or unspoken organizational logics. By adopting this ontological position, the interpretive perspective can be enriched, gaining a more comprehensive understanding of situations where outward behaviors don't fully reveal the internal dynamics influencing outcomes. As Easton (2010) argues, critical realism provides a framework to explore how generative mechanisms, such as leadership vision, institutional inertia, or employee trust, create different responses to technological change, including similar at first glance firms.

## 2.2. Review of related studies.

Building on the theoretical frameworks, recent studies offer a variety of practical insights into how organizations are navigating the ethical, strategic, and operational aspects of integrating GenAI into their workflows. Holzner et al. (2023) emphasize that while GenAI has the potential to significantly boost creativity and foster idea generation, its effectiveness is largely dependent on collaborative use. They caution that relying solely on GenAI, without human input and refinement, can lead to results that are often repetitive and unoriginal. Likewise, Dellermann et al. (2022) underline the importance of ensuring human supervision to guarantee contextual interpretation and innovation.

Empirical research in the legal sector has similarly highlighted the slow and uneven pace of adoption. Murphy (2023), for example, reports that only a small minority of UK firms have integrated GenAI into their workflows, while the majority remain hesitant or have no plans to adopt it in the near term. This mirrors broader caution in professional services. Brooks et al. (2020) also conceptualize AI integration as a form of business model innovation, but argue that structural barriers such as the billable-hour model and hierarchical governance constrain transformative use. These findings are echoed in more recent analyses of law firms' digital practices (Contini, 2024; Villaseñor, 2024).

The broader operational transformation is also ongoing. Jarrahi (2018) names GenAI as a decision-support mechanism that augments rather than replaces human judgment. Similarly, Kampik et al. (2024) briefly mentioned this topic in more recent research, stating that GenAI reshapes workflows by supporting tasks from the decision-making process to the point of action more quickly. This decentralization aligns with McKinsey's (2023) findings, which

note that high-performing organizations empower non-technical employees to interact with GenAI systems.

Other studies focus on employee-level perspectives. Beebeejaun and Gunpath (2023), examining adoption in Mauritius, find that resistance is often rooted in fear of job displacement, disruption of professional hierarchies, and the heavy training burden of new systems. These insights resonate strongly with the generational divides observed in many professional service contexts. Similarly, Alarie, Niblett, and Yoon (2018) argue that while AI can support precedent analysis and predictive reasoning in law, it cannot substitute for human interpretive authority - positioning GenAI as a tool of augmentation rather than replacement.

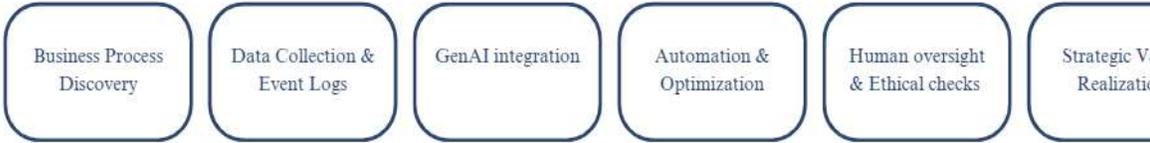
However, technological integration is not the sole process behind transformation. According to the “Practical Recommendations” article (Reznikov, 2024), organizations must follow a structured implementation strategy, including business concept validation, technical solution identification, and ethical review. These practical steps will help organizations move from experimenting to scalable adoption.

The supporting view is provided by Kampik et al. (2024), who outline a GenAI-driven transformation framework within business process management (tab. 2.3).

Additionally, as Reuber et al. (2022) suggest, research into fast-developing and ever-changing field such as GenAI requires methodological flexibility, since rigid models often fail to meet emerging and context-specific practices.

Organizational responses to emerging technologies such as GenAI are also best explored through contextual, case-based methods that enable the identification of patterns and

mechanisms (Eisenhardt, 1989; Gioia et al., 2013). These methodological approaches are most useful when formal structures and informal behaviors are interdependent, as is often the case in professional services firms.



*Table 2.3: GenAI-Driven Business Process Management Flow*

*Source: Adapted from Kampik et al., 2024*

Ethical risks are also crucial to address. The “Generative AI in Cybersecurity” review (M. Uddin et al., 2024) notes that GenAI can enhance organizational resilience through threat detection and automation, however, it opens the door to new vulnerabilities, including phishing information and algorithmic exploitation. Because of this dual nature of GenAI adoption, organizations must balance innovation and ethical safeguards.

**2.3. Critical analysis.**

Despite extensive existing and growing literature on Generative AI, mostly they are focused on the technical or performative aspects, usually ignoring the socio-organizational and cultural factors that influence adoption. Eapen et al. (2023) point out that GenAI can significantly improve and support human creativity, yet its impact depends heavily on how organizations are willing to adapt their internal structures, not only their digital tools.

However, studies still often treat GenAI adoption as a technological deployment rather than a transformative cultural process.

This limitation is visible in research on law firms, where Murphy (2023) documents widespread reluctance and very low adoption rates, reinforcing the conservatism of the profession. Brooks et al. (2020) argue that even when AI is piloted, entrenched governance models and billing structures restrict deeper transformation. At the same time, studies like Beebeejaun and Gunputh (2023) highlight employee anxieties and generational divides, showing that adoption barriers are also embedded in professional identity and career trajectories. Collectively, these works underscore that law firms' responses cannot be understood solely through technical readiness, but must be seen through organizational and cultural lenses.

This challenge is particularly observed in different professional service sectors, for instance, legal consultancy. Here, technological integration is complicated due to the already established hierarchy, risk aversion, and experiential legal knowledge. Even though Murire (2024) notes that GenAI adoption should be aligned with established organizational culture and trust, few empirical studies explore this alignment in detail. In addition, research by Mikalef and Gupta (2021) reinforces the idea that unless organizations possess appropriate organizational capabilities such as adaptability and continuous learning, AI capabilities are not sufficient.

A comparative perspective is also lacking. Many existing models are based on digitally advanced markets, which makes it challenging to apply them to transitional economies. Cultural and governance differences, including lower digital maturity and regulatory

uncertainty, create the pace and logic of GenAI integration. This thesis aims to fill this research gap by exploring how Kazakhstani firms and potentially Italian ones adapt GenAI under different cultural and infrastructural limitations. As noted by Piekkari et al. (2009), cross-national and comparative approaches in international business research provide critical insights into how institutional context affects organizational behavior, yet receive limited attention in the context of AI-focused studies.

Furthermore, the existing literature often lacks ontological depth when analyzing GenAI implementation. While many studies document observable patterns of GenAI use, few attempt to uncover the underlying factors that produce these outcomes. This gap limits the understanding of why organizations respond so differently to the same technology. As Aguzzoli et al. (2024) suggest that the dominance of positivist and interpretivist approaches in international business studies can result in findings that are not well-grounded in theory. A critical realist lens offers the opportunity to link observed behaviors with deeper structures such as institutional friction, cultural resistance, or strategic misalignment, all of which are essential to fully grasp GenAI adoption in real organizational settings.

Finally, implementation stages remain underdeveloped. Reznikov (2024) proposes a practical three-stage plan (validation, technical fit, and ethical compliance), yet this kind of framework rarely finds acceptance and use in real-life cases. Moreover, another paper by Elkhatat et al. (2023) states that even after GenAI has been deployed, key organizational elements such as staff retraining, reconfiguring the roles, and governance often stay underprioritized, which ultimately leads to poor adoption.

## 2.4. Theoretical framework.

This thesis is focused on the multi-theoretical framework to understand how firms navigate organizational complexity while adopting GenAI.

The core perspective of this study is the Dynamic Capabilities Theory (Teece et al., 1997), which explains how firms adapt and reconstruct their internal structure to external shocks and technological disruption. Mikalef and Gupta (2021) stress that AI integration is more successful when firms can recombine their capabilities and processes to generate innovation and resilience.

Supporting this is Organizational Culture Theory, derived from the models of Schein (1985) and Hofstede (1991). These frameworks explain how shared beliefs, values, and assumptions help to shape the adoption of emerging technologies. Murire (2024) recognizes culture as a mediator of successful AI integration, with trust, open communication, and tone of leadership playing a crucial role whether integration will be met with resistance or acceptance. Hofstede's dimensions, particularly power distance and uncertainty avoidance, promote great insights and a foundation for the cross-national comparative analysis between Kazakhstan and Italy.

Ambidexterity Theory (O'Reilly & Tushman, 2013) further explores the dual necessity of exploitation and exploration. GenAI adoption exemplifies this pressure – from one point, it is expected to improve the efficiency of already established processes, while from another point, it is also expected to open pathways for innovation, creative experimentation, and strategic foresight. Eapen et al. (2023) warn that if organizations over-prioritize one aspect at the expense of the other, it could lead to either stagnation or fragmentation.

Lastly, Ethical Governance and Algorithmic Accountability are critical in structuring regulatory frameworks shaping GenAI implementation. Li (2025) emphasizes that firms need to consider the consequences related to GenAI integration and use, especially when it comes to ethical decisions. The author suggests that using simulation and reflective discussion can help firms better prepare for possible risks. Similarly, Reznikov (2024) argues that ethical readiness is not only about having the right tools, but an organizational competency, which is acquired through leadership awareness, documentation standards, and practical steps to guide how GenAI is applied in real situations.

## 2.5. Conceptual Framework.

To guide the case study analysis, this thesis adopts a conceptual framework that relies on four key interrelated dimensions: dynamic capabilities, organizational culture, creativity, and resilience. The frameworks map how these concepts interact and influence each other during GenAI integration, which shapes the analytical foundation for the next empirical chapters.

Essentially, the implementation of GenAI introduces new possibilities for automating tasks, supporting decision-making, and enhancing content creation. However, unlocking its full value and potential lies in the firm's dynamic capabilities – the ability to sense technological shifts, react by adapting internal structures, and promote skill development (Mikalef & Gupta, 2021). These capabilities determine whether the adoption of GenAI remains a superficial tool or becomes a long-term critical asset.

Organizational culture, on the other hand, interacts with these capabilities and shapes how GenAI adaptation is perceived. Cultural features such as openness to change, employee autonomy, and flexibility in exploring new ideas influence whether the AI-driven adaptation

is accepted or resisted (Murire, 2024). However, regardless of the firm's technical preparedness, the positive impact of GenAI integration can be limited by a strict or highly hierarchical environment.

Creativity operates as a driver and an outcome of successful adaptation. When both dynamic capabilities and cultural acceptance combine, GenAI can act as a catalyst for idea creation, cross-functional collaboration, and innovative approaches to problem-solving (Eapen et al., 2023). On the contrary, when creativity independence is restricted, GenAI's role could be defined solely for automation, which limits its full potential.

Resilience is envisioned in this study as an organizational ability not only to adjust to GenAI itself, but also to the uncertainties and risks that follow it. This also includes technical risks such as misinformation, algorithmic manipulation, and, in the broader context, cybersecurity threats. Uddin et al. (2024) emphasize that unregulated GenAI integration can render firms vulnerable to data breaches or intentional system deception, ultimately reducing the net benefit of adoption. Additionally, Custers (2023) highlights that being resilient also includes the ability to respond and adapt to regulatory developments. Organizations should prepare for the liability expectations and develop legal standards, particularly in more sensitive sectors such as law and consulting.

All the components mentioned above are interrelated. Dynamic capabilities facilitate cultural changes, culture drives creativity, creativity highlights the progression of GenAI adoption processes, and resilience emerges from the combination of all four. This interconnected structure will serve as the analytical backbone for case study comparison, helping to identify why some firms successfully adapt GenAI while others fail to do so and face challenges.

## 2.6. The Legal Sector as a Context for Generative AI.

The conceptual framework developed in Section 2.5. identifies four main dimensions through which the adoption of Generative AI could be understood, such as dynamic capabilities, organizational culture, creativity, and resilience. Thus far, it is crucial to contextualize these concepts within the legal service industry, which forms the empirical focus of this thesis and will act as a ground for the following chapters. Law firms are different from other organizations not only in their professional logic and institutional context, but also in their organizational design, compensation models, and compliance requirements. These characteristics define how innovation emerges, how dynamic capabilities are mobilized, and how creativity and resilience can be sustained.

From the standpoint of dynamic capabilities, the law firm context illustrates both potential and constraints. The growing use of LegalTech tools like Harvey and GPT-based drafting illustrates the capacity to sense opportunities (Contini, 2024). However, the capacity to seize them is constrained by governance models focused on partner consensus and client satisfaction, often at the expense of timely decision-making (Furlong, 2024). The reconfiguration of organizational routines, arguably the most complex capability to cultivate, is made more difficult by the enduring dominance of the billable-hour model and hierarchical structures, which tend to disincentivize long-term capability building (Teece, 2007; Mikalef & Gupta, 2021). Villasenor (2024) reinforces this point by showing that while GenAI adoption can enhance workflows such as motion drafting and contract preparation, its adoption requires well-established practices and a careful approach, which highlights the crucial role of internal reconfiguration in sustaining long-term benefits.

In law firms, where custom, precedent, and professional identity are highly valued, organizational culture is especially important. While conservative or inflexible workplaces could hinder adoption, even in the presence of technical infrastructures, cultures that prioritize experimentation might allow lawyers to use GenAI technologies for research and drafting. This is consistent with the framework's claim that the degree to which new technologies are embraced or rejected depends on culture (Murire, 2024). The problem at law companies is both technical and symbolic: cultural mistrust is reinforced by the belief that an excessive reliance on AI might compromise professional judgment or undermine client trust (Terzidou, 2023).

The framework is further contextualized by the function of innovation in the legal profession. In this field, creativity is more about analyzing laws, building arguments, and coming up with methods for complex issues than it is about creating novel concepts. By freeing attorneys of monotonous work and allowing them to dedicate more time to strategic thinking, GenAI presents the potential to enhance creativity (Eapen, 2023). However, it also poses replacement concerns: lawyers may feel their interpretive and rhetorical function is decreased if automation extends beyond low-value jobs (Villasenor, 2024). In a comparable way, Furlong (2024) argues that while GenAI fosters creativity and efficiency, it also challenges the traditional business model of law firms, which depended on using the repetitive work of junior associates. His argument that lawyers' role will shift towards advocacy, advice, and accomplishment, shows how human creativity and judgement will continue to be defining features of legal work, even in the advanced technological environments.

Finally, resilience takes on special importance in an industry that is subject to both strict regulatory requirements and external shocks. Law companies need to adjust to the risks of data breaches, confidentiality violations, and liability issues related to the use of GenAI in addition to changing client expectations and competitive pressures. Thus, the framework's focus on resilience as institutional and technological adaptability is extremely pertinent to the legal services industry. Widespread uses like drafting and summarizing increase productivity but also increase the possibility of hallucinations and confidentiality violations, as Contini (2024) points out. This is further supported by Needham (2025), who demonstrates how courts and bar associations are expecting attorneys to ensure AI secrecy and dependability, the responsibilities that are practically hard to meet because to the transparent nature of private LLMs. Terzidou (2023) adds that the European regulatory perspective, emphasizing that the AI Act, Digital Services Act, and GDPR enforce compliance requirements that influence firms' organizational resilience strategy. Altogether, these insights demonstrate that resilience in law firms depends not only on the internal safeguards but also on adapting to the governance ecosystems.

When combined, these observations show how the distinctive features of the legal sector interact with the four pillars of the conceptual framework. Governance and incentives determine dynamic capabilities in law firms; tradition and professional identity define organizational culture; advocacy and interpretation define creativity; and maintaining technological innovation while adhering to stringent ethical and regulatory standards is necessary for resilience. This section offers the essential link between theoretical abstraction

and empirical reality by integrating the general framework into the particular setting of law firms.

This contextualization also emphasizes the need for a qualitative, context-sensitive research design. Since a lot relies on organizational culture, professional identity, and individual technological interpretations, the dynamics of GenAI adoption in law firms cannot be fully understood using quantitative metrics or general surveys alone. In order to capture the subtle ways that law firms in various contexts are sensing, seizing, and reconfiguring around Generative AI, the methodological approach of this thesis is described in the next chapter. It is based on a multiple-case study design and semi-structured interviews. The theoretical framework established in the preceding sections can be empirically investigated within the unique setting of legal practice thanks to this methodological orientation.

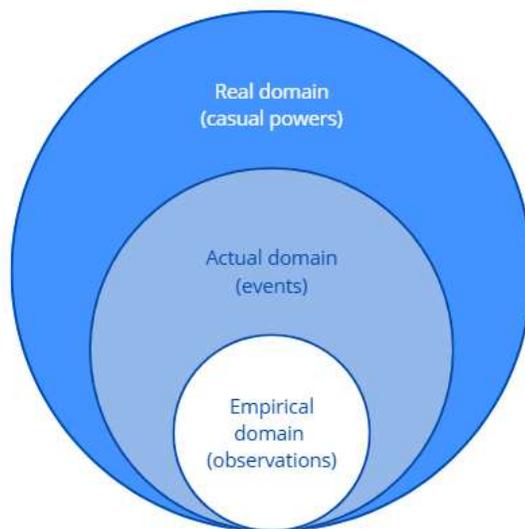
## Chapter 3. Methodology.

### 3.1 Research Philosophy and Rationale for Qualitative Approach.

This research is conducted through qualitative analysis, grounded in an interpretivist paradigm, which explores how individuals understand and interpret the world. It is further enhanced by insights from critical realism, acknowledging that deeper structures shape our perceptions of reality. The primary aim of this research is to understand how legal consultancy firms in Kazakhstan perceive, implement, and adapt to Generative Artificial Intelligence (GenAI), specifically how it influences creativity, dynamic capabilities, and organizational resilience. These constructs are shaped by society, depend on context, and are understood through personal experience; therefore, they are best explored using qualitative research.

As mentioned before, the interpretivist paradigm emphasizes that social reality is created by human interaction and the process of constructing understanding. For this research, it is relevant since it provides the foundation of understanding how individuals within the organizations, such as legal professionals, managers, and innovation officers, make sense of GenAI's role in their work. This paradigm encourages open-ended exploration and recognizes that different organizational contexts can lead to multiple valid perspectives and insights.

Critical realism, in contrast, enriches the ontological foundation of research by acknowledging that underlying causal mechanisms may operate independently of human perception. According to Bhaskar's three-layered ontology, reality can be understood at the levels of the empirical (observation), the actual (what has happened, regardless of observations), and the real (the mechanism that creates events) (Easton, 2010) (tab. 3.4). This stratified perspective is valuable for studying innovation and organizational adaptation, as actions can be shaped by leadership beliefs, professional norms, or institutional resistance, even when these influences are not explicitly acknowledged by participants.



*Table 3.1: Bhaskar's Three-Layered Ontology*

*Source: Adapted from Easton, 2010*

This dual perspective enhances both the depth of interpretation and the strength of explanations, providing a more comprehensive understanding of the subject. Interpretivism allows for the exploration of participants' lived experience, and critical realism gives a foundation to theoretically justify why certain patterns are seen across firms with similar environmental conditions. As Aguzzoli et al. (2023) explain, critical realism is particularly valuable for international business research, because it allows for the development of theories that link context-sensitive observations and deeper causal analysis.

In addition, qualitative research has been recognized as the most useful when it comes to international business research, since it gives insights that are both meaningful and context-aware. Piekkari et al. (2009) underscore the significance of methodological diversity in international business research, particularly when analyzing complex phenomena shaped by institutional and cultural environments. Considering that adoption of GenAI is relatively in its early stage in most professional sectors, it demands this exact contextual and exploratory approach.

Lastly, the research follows a flexible and reflective approach that can adjust to the complexities of new technologies and different organizational settings, just as Reuber et al. (2022) recommend.

Considering everything stated so far, this research follows an interpretive-critical realist philosophy, allowing it to explore how firms experience and understand GenAI, while also revealing the hidden organizational factors that shape those experiences and outcomes.

### 3.2. Research design.

To explore further the strategic implementation of the GenAI in professional services firms, this study uses a qualitative multiple-case study design. A case study approach is well-suited for examining complex issues in real-world settings, especially when it's difficult to separate the phenomenon being studied from its surrounding context (Yin, 2018). Since GenAI adoption is at its evolving stage, this design allows for exploring practices and decisions that organizations make, and moreover, underlying technological, professional, and institutional dynamics that influence those decisions.

This study draws on three related case studies within the same sector, conducted in Kazakhstan and Italy. The first is AVC, a legal consultancy in Kazakhstan, that uses GenAI tools to streamline legal operations and enhance internal workflows. The second case, Grata International, also based in Kazakhstan, provides a polar opposite example of a company that is trying to integrate GenAI but hasn't been successful in doing so yet, offering insights into internal resistance and other barriers. The third case is Chiomenti, a large Italian legal consultancy firm, with more than 300 employees and a high level of digital maturity. It uses a structured approach when it comes to legal innovation and experimentation with advanced GenAI tools, such as Harvey AI.

The reasoning behind the choice of these cases lies in the purposeful sampling. The goals include ensuring different levels of digital and GenAI adoption maturity, readiness, and acceptance within organizations and the national institutional context. Including both Kazakhstan and Italy allows for the cross-national analysis, which offers insights into how technological, cultural, and regulatory differences influence GenAI perception and adaptation. Using a comparative approach allows meeting the growing demand in

international business research for flexible, context-aware methods, especially important when studying fast-changing technologies like GenAI (Piekkari et al., 2009).

Although each firm is represented by only one interviewee, this study follows the Multiple Mini Case Study (MMCS) approach outlined by Käss et al. (2024). MMCS is a practical and rigorous method designed for situations where it's difficult to collect extensive data from each case. Instead of going deep into a few cases, it allows researchers to explore a broader range of cases with less detail per case. This makes it especially useful for studying emerging topics like GenAI, where access to multiple data sources within each organization is often limited. According to Käss et al., methodological rigour in MMCS can still be achieved through transparent case selection, a clear theoretical framework, and systematic cross-case comparison—all of which are reflected in this study's design.

Each case is treated as a clearly defined unit of analysis, allowing to capture both within-case dynamics and cross-national comparisons. The logic of theoretical replication is applied, where varying outcomes are expected due to contrasting and different national and organizational environments (Yin, 2018). These three cases were selected to represent different responses to GenAI implementation in the same sector (legal consultancy) but under different technological and institutional conditions. This study doesn't aim for statistical generalization. It rather seeks analytical generalization, unravelling patterns and mechanisms that support theoretical development in dynamic capabilities, innovation, and organizational resilience.

### 3.3. Data collection.

The primary data for this research was gathered through semi-structured interviews, considering that it is a perfect fit for studying subjective experiences, organizational dynamics, and context-sensitive practices. Semi-structured interviews strike a balance between applying consistent themes across cases and allowing space to explore each participant's unique perspective in depth (Kallio et al., 2016).

Interviews were conducted with three main informants. At AVC and Grata International, the interviewees were legal professionals who were directly engaged or knew about the firm's digital initiatives. At Chiomenti, the participant was the Head of Knowledge Management and Legal Technology, who oversees the identification, trial, and adoption of GenAI tools across the firm. These individual were chosen first of their availability and second because of their firsthand experience and involvement in activities surrounding GenAI implementation, which ensures that the data collected directly answers the research objectives.

All interviews were conducted remotely through Zoom, Microsoft Teams, or Google Meet, depending on the availability of the participants and their preferences. The duration of each conversation was approximately 30-40 minutes. Due to participants' request, no video or audio recording was made. Instead, detailed notes were taken manually during each session, which ensured richness and accuracy of the data while still respecting confidentiality and requests of those interviewed.

The interviews followed a shared thematic structure, enabling a consistent yet flexible exploration of each case. Participants were asked to reflect on the strategic positioning of GenAI in firms' broader digital transformation initiatives. This was followed by a discussion

about the implementation and specific use of GenAI tools, allowing to understand how these tools are applied in legal operations and internal workflows. Special attention was given to the questions related to challenges and barriers encountered during adaptation, including employee training, resistance to change, and ethical governance, particularly involving data privacy and professional responsibility. The interviews also covered the influence of GenAI on innovation, creativity, and dynamic capabilities, with the intention to understand whether and how these tools change established legal practices. Finally, the interviews were concluded by the prospective view on the long-term role of GenAI tools in their organization, including risks, fears, strategic opportunities, and areas of development.

To provide context and support the credibility of the data, the study also reviewed secondary sources, such as company reports, websites, and professional publications, when available. These materials offered contextual information about each firm's technological capabilities, level of digital development, and stated innovation objectives, allowing the interview insights to be interpreted within a broader organizational and industry context.

In the two Kazakhstani firms, interviews were conducted with practicing lawyers who are directly involved in the operational and client-facing aspects of legal services. In contrast, the Italian case featured the Head of Knowledge Management and Legal Technology, responsible for leading digital strategy and innovation at an organizational level. This contrast between end-users of GenAI tools and strategic decision-makers offers a more comprehensive and layered view of how GenAI is perceived, implemented, and embedded within professional service settings. It also deepens the study's ability to examine both the everyday practicalities and the broader organizational priorities that shape the GenAI adoption process.

### 3.4. Interview Guide and Theoretical Alignment

The interview guide was designed specifically to cover the main research objectives while also being flexible enough to accommodate organizational differences across cases. It consists of five interrelated thematic areas: strategic motivation and implementation process of GenAI, challenges and opportunities that come from adaptation, the influence of GenAI on creativity and innovation, the development of dynamic capabilities in response to technological changes, and the implications of resilience, risk management, and ethical governance. These themes are drawn from the conceptual foundation outlined in Chapter 2, namely the frameworks of dynamic capabilities (Teece; Mikalef & Gupta, 2021), organizational ambidexterity (O'Reilly & Tushman, 2013), culture and change management (Schein, 1985; Hofstede; Kotter, 1996), innovation and human–AI collaboration (Holzner et al., 2023; Dellermann et al., 2021), and ethical governance in AI integration (McKinsey, 2023; Humphreys et al., 2024).

The list of interview questions began with an introductory part aimed at understanding the role of the interviewee, their knowledge of AI, and the overall organizational context. This sector was essential concerning participants' viewpoints that led to building comparisons based on digital maturity, company size, and function within the company. From there, the guide explored topics related to motivation, the decision-making process, and challenges faced during the implementation phase of GenAI.

The questions related to innovation and creativity explored how GenAI influences and boosts idea creation, while questions on dynamic capabilities discovered organizational skills, such

as a firm's adaptability, reskilling, and embracing new technological opportunities. The section about resilience and risk concentrated on how the firms adapt and navigate through digital disruption connected to the GenAI adoption. Lastly, ethical considerations, arguably the most prominent topic surrounding GenAI, were thoroughly explored in my interview guide, alongside discussions on governance, internal policies, and client responses.

The interview ended with open-ended questions that allowed participants to share their insights on future expectations, lessons learned, and the company's position in the industry. It is worth noting that the interview guide was tested informally during the initial interview and was slightly adapted afterward to suit each case's differences. For example, in Chiomenti, the focus shifted towards AI governance due to the seniority and technical responsibility of the participant, while in AVC and GRATA, the focus was mainly on tool usability and practical experience.

Overall, by balancing consistency with flexibility, the interview framework enabled the exploration of core themes across cases, while also accommodating contextual variation and emergent findings, in line with interpretive case study methodology (Eisenhardt, 1989; Gioia et al., 2013).

### 3.5. Data Analysis and Interpretation Approach.

Given the nature of the data collection and the refusal to record from participants, the analysis relied on the structured manual process based mainly on the thorough notes taken during interviews and immediate post-interview reflection. The approach followed already

acknowledged case study practices for qualitative analysis outlined by Yin (2018) and Eisenhardt (1989), with a focus on within-case synthesis and cross-case analysis.

Each interview was first reviewed through within-case synthesis, using the structure of the interview guide as a reference point to group insights. Respondents' narrative highlighted themes around strategic approach of GenAI, operational implementation, cultural interpretation and ethical governance. After, notes were reviewed and refined with attention to contradictions, contextual cues, and implicit beliefs, that might reveal deeper organizational dynamics and processes (Easton, 2010).

The interpretation was conducted without using any software, but solely relying on the reflective memo-writing, thematic clustering, and comparative matrixing. This approach aligns with the recommendations in qualitative research, which rely on human insight to interpret meaning in non-recorded interviews, guided by pre-existing theoretical constructs (Tong & Arora, 2023). This interpretation strategy allowed for drawing broader conceptual patterns from case-specific insights.

The cross-case comparison revealed recurring themes and key contrasts, especially in how firms addressed GenAI adoption and strategy, capability development, and ethical governance. These insights were interpreted consistently with the theoretical frameworks presented in Chapter 2 and further shaped by participants' roles and national context.

### 3.6. Ethical Considerations and Trustworthiness.

Ethical integrity has been maintained throughout the entire research process. Before each interview, the participants were informed about the research, its purpose, the voluntary nature

of their participation, and measures taken to protect their privacy and confidentiality. Informed consent was either received verbally or, in some cases, written, through a consent form. As previously stated, no recordings were made. Instead, detailed notes were taken to ensure accurate information while maintaining the privacy of all individuals involved. This method allows for precise documentation without compromising confidentiality.

Companies' names are disclosed with consent, however, participants were instructed to withhold or generalize any information that could compromise internal strategic confidentiality, reveal sensitive organizational structure, or violate client-lawyer confidentiality obligations. Consequently, several questions received responses that were either partial or overly generalized, as participants hesitated to provide further comments due to concerns about breaching their confidentiality obligations to their respective organizations.

To ensure the trustworthiness of this qualitative study, the approach pursued four criteria that were proposed by Lincoln and Guba (1985). Credibility was enhanced by identifying consistent themes across interviews, cross-checking findings with secondary sources such as company websites and publications, and interpreting responses with attention to each participant's specific expertise. Transferability was supported by offering rich contextual details about each firm's industry, size, digital maturity, and national setting, enabling readers to assess how the findings might apply to their own contexts. Dependability was ensured through clear documentation of interview protocols, methodological decisions, and the rationale behind analytical steps. Confirmability was reinforced through reflexive memo

writing and a deliberate effort to separate participants' original viewpoints from the researcher's interpretations.

Recent research on business ethics and artificial intelligence highlights the importance of being aware of bias and risk when working with limited access to resources. This awareness is particularly crucial when addressing issues such as job displacement, digital trust, and data security (Maiti et al., 2025). To ensure adherence to ethical best practices, a series of safeguards were implemented. These measures enabled the gathering of valuable insights into how professional service firms are integrating GenAI within practical constraints while maintaining rigorous academic standards.

## Chapter 4. Results and Findings.

### 4.1. Overview of the Chapter.

This Chapter presents the key findings from the three case studies carried out in Kazakhstan and Italy. The main purpose is to explore how legal consultancy firms leverage GenAI to develop their dynamic capabilities and organizational resilience. The analysis seeks to address the research questions by uncovering empirical patterns and interpreting them through the lens of dynamic capabilities theory and resilience frameworks.

In particular, the findings aim to answer how firms harness and perceive GenAI tools and what implications they face in order to remain resilient and adapt to the changing digital landscape.

The Chapter is of the following structure: firstly, it presents the findings of the within-case analysis of each case; secondly, it presents the result of cross-cultural analysis built on the

insights from the previous part; and lastly it draws conclusions and discussions of all the findings, the similarities and differences, and insights gained after exploring GenAI adoption in companies as mentioned earlier, with a strong connection to the theoretical base.

This analysis is guided by analytical logic built on critical realist ontology (Easton , 2010; Bhaskar, 1975), which facilitates a deeper understanding of visible and invisible underlying mechanisms of each case. A multiple-case study design (Yin, 2018; Eisenhardt, 1989) that enables both cross-national and within-case analysis. The analysis further adopts an abductive approach informed by the Gioia methodology, allowing for iterative movement between empirical findings and theoretical concepts, particularly around dynamic capabilities (Teece, 2007) and organizational resilience (Duchek, 2020). This structure supports the uncovering of patterns and causal mechanisms behind firms' responses to GenAI adoption.

#### 4.2. Within-Case Analysis.

This section delves into the findings from three distinct case studies involving GRATA and AVC, both of which are based in Kazakhstan, and Chiomenti, a prominent law firm in Italy. Each case is examined individually to shed light on how these organizations understand and engage with Generative AI (GenAI). This study explores how their responses are influenced by their internal practices, professional standards, and the broader context in which they operate.

##### 4.2.1. Company A: GRATA (Kazakhstan).

GRATA is a large international law firm operating in Kazakhstan and represented in 24 countries worldwide, known for serving foreign clients and adopting innovative legal

practices. The interview was conducted with a senior lawyer who actively employs all the technical initiatives and participates in their implementation. Lawyers use tools like ChatGPT to draft basic legal texts, create outlines for contracts, and analyze extensive legal documents. However, since ChatGPT is a general-purpose tool, it is primarily used for personal tasks rather than official workflows, so it has not been officially integrated into their processes.

The respondent shared information about the company's plan of harnessing GenAI in the future, complications they have faced during this time, how usage of those tools changed their workflow, and what kind of initiatives they implemented to make adoption smoother, especially concerning employees' and clients' opinions on it. Worth mentioning that this case represents struggles when implementing GenAI, tied to the refusal of employees. Junior professionals were more open-minded to this innovative approach, while senior professionals had their doubts, mainly because they are leaning towards keeping the traditional expertise. The interviewee mentioned: *“There’s a gradual shift-junior staff are more open, while senior lawyers are cautious. Discussions on AI ethics and standards have increased.”*. Another important insight was that this dual perspective on GenAI adoption led to the absence of effort by the leadership to develop a strategic vision or training initiatives around these technologies.

Overall, the firm's approach to GenAI was cautious. The participant shared the following: *“Confidentiality has been a major concern in this journey. Our clients are large international and local companies, and the sensitivity of their data requires us to be extremely cautious in how we apply AI tools.”* It is evident that when it comes to professional services, carried out

with big companies as clients, the strongest and main concern always revolves around data protection and privacy.

Additionally, the interviewee acknowledged the main benefits of using GenAI that they experienced, including the ones associated with creativity and innovation: *“GenAI has begun reshaping workflows, encouraging more delegation of routine tasks to AI-assisted tools.”*; *“GenAI has helped with idea generation in marketing and client updates but is not used for core legal creativity.”*; *“It’s led to process innovation-e.g., faster first drafts, improved client deliverables-but not yet to legal product innovation.”*; *“It helps identify client needs based on emerging legal trends, especially for ESG and compliance.”*. Nevertheless, the participant stressed that human judgment is still a core value in the firm: *“Human judgment and interpretation are still central in legal work.”*

Notably, this interview gave a clear vision of how the practices drawn from the usage of GenAI are intercorrelated. The GRATA employee noted that the more effective document analysis allowed for greater effort to be directed towards adapting to regulatory and market changes in support of the company’s strategic plan: *“GenAI enables faster scanning of legal developments, which helps us respond quicker to market or regulatory shifts.”*

Regarding the ethical concerns, the company is still developing guidelines for GenAI usage: *“We are developing internal AI usage guidelines, requiring human review and restricting client-sensitive work.”*. However, clients have expressed distress over this practice. The participant reassured that the company is adhering to existing ethical guidelines and prioritizing human oversight: *“Some clients asked whether AI is used in their matters; we clarified our protocols and reassured them of human oversight.”*

Finally, the interviewee shared some suggestions for other companies that are open to using GenAI and lessons learned while trying to adopt to the new workflow practices: *“Don’t rush. Pilot small, train your team, and build governance from day one. In law, credibility is everything.”* ; *“GenAI is not a silver bullet, but it’s a powerful enabler if used thoughtfully and responsibly.”*.

The table below provides a concise summary of all the insights, highlighting key findings and important details for easy reference.

| <b><i>Dimension</i></b>                        | <b><i>Findings from interview</i></b>   |
|--|---|
| <i>Company profile</i>                         | Large international law firm, based in Kazakhstan, represented in 24 countries; focus on foreign clients and innovative legal practices.  |
| <i>Interviewee role</i>                        | Senior lawyer, actively engaged in technical initiatives and implementation.  |
| <i>Current use of GenAI</i>                    | ChatGPT used for drafting texts, contract outlines, and document analysis. Usage informal and personal; no official workflow integration. |
| <i>Digital Strategy / Integration Approach</i> | No strategic plan or training around GenAI; adoption remains cautious and fragmented.   |

|                                      |   |
|--------------------------------------|---|
| <i>Adoption Dynamics</i>             | Juniors open to experimentation; seniors skeptical, prefer traditional expertise. Leadership hesitant, no clear top-down vision.  |
| <i>Benefits and Opportunities</i>    | Faster first drafts, improved document analysis, more time for regulatory adaptation, idea generation for marketing/client updates, identification of client needs (ESG, compliance). |
| <i>Challenges and Barriers</i>       | Confidentiality concerns with sensitive client data; client distrust when AI mentioned; reluctance of senior staff; lack of official processes.                                       |
| <i>Ethical and Governance issues</i> | Guidelines under development; rules: human review required, no AI for client-sensitive work. Clients reassured of human oversight.  |
| <i>Impact on workflow</i>            | Delegation of routine tasks to AI tools; more efficient document scanning; quicker responses to regulatory/market changes.  |

|  |  |
|--|--|
| <i>Cultural and Strategic insights</i> | Discussions on AI ethics increasing; firm remains cautious without strategic vision for adoption.                      |
| <i>Lessons and Suggestions</i>         | “Don’t rush. Pilot small, train team, build governance from day one.”<br><br>“In law, credibility is everything.”      |
| <i>Overall Approach</i>                | Cautious adopter: exploratory use with some workflow benefits but limited integration; human judgment remains central. |

*Table 4.1: Summary of Key Insights from the GRATA Case Study*

*Source: Author’s elaboration based on an interview with Senior Lawyer, GRATA Kazakhstan (2025).*

#### 4.2.2. Company B: AVC (Kazakhstan).

AVC Kazakhstan is a consulting firm mainly focused on the oil and gas industry. Its services go beyond legal issues to include marketing, management, and business administration. While AVC Kazakhstan primarily serves CIS member states, most of its clients are based in Kazakhstan. The participant was a Senior Lawyer at the company, handling a variety of legal tasks such as drafting and reviewing contracts, conducting due diligence, and managing negotiations. Additionally, their daily work involves using a few databases for background checks on Counterparties, which incorporate AI tools. The interviewee mentioned that, due

to management hesitation and the nature of their work, the company is not currently using any GenAI tools.

The firm's perspective on GenAI tools is shaped by both curiosity and skepticism. The participant stressed that the overall company is open to innovation, but specifically, AI-generated tools are a subject of hesitation. This is due to the AI being a developing phenomenon, which is changing and adapting every day, it appears to be unreliable. Additionally, the specifics of the field they are operating in is another aspect of refusal: *"I would say that the company overall is open to innovation, but very skeptical. Especially if we are talking about AI tools of any sort. Because first of all, our company is working in the field of gas and oil, which is a serious field, and second, we are giving legal and business services, I don't think it is a place for something still developing like Generative AI."*

Even though, the firms' main digital strategy includes automation of some processes and workflows, it excludes any type of GenAI interaction. The main perception of GenAI is that it is immature and unreliable to align with this objective. The interviewee shared following: *"Key decisions in the company are made by the management. The main priority is automation of work, which is one of the main priorities of the Company."* The management's view on the GenAI place significant role on this stance: *"...But the management is hesitant; they don't trust AI because they are used to traditional workflow."* This institutional hesitancy has so far prevented any experimentation, exploration and training initiatives from happening.

Despite the position of the leadership in the company, some employees shared their curiosity in exploring potential benefits that GenAI tools can provide. The participant expressed following: *"As far as I know, some employees shared that they would appreciate it if the*

*company would adopt AI. Since it is inevitable, everyone is using AI, it is better to adopt it. first of all, it would be a reliable platform, and there would be training on how to use it correctly, and also certain guidelines, especially since our field and scope of work are very sensitive.*” However, these interests are being ignored and unsupported by any official organizational processes and strategic investments.

Throughout the whole interview, the interviewee refused to answer some of the questions related to implementation challenges, pilots and digital transformation enabled by GenAI, this underscored complete absence of such tools in the firm’s structure. Nevertheless, the participant thoughtfully reflected on the future ambitions and possibilities circulating about GenAI use: *“In my long-term strategy, AI fits in as an integral part of my professional activities, only if it is a reliable software that is trained to know the specifics of my work ...”* This vision is influenced by concerns about data privacy, ethical risks and quality. As observed through personal experimentation with ChatGPT, issues such as “irrelevant and repetitive output” and “data privacy” were identified as key barriers to trust.

When analyzing through the lens of dynamic capabilities, AVC shows limited or dormant capacity in all three dimensions: integrating, building and reconfiguring. There is only little structured exploration of external technological trends, without any evidence of internal reconfiguration and adaptation. While some employees recognize the potential of GenAI, it is constrained by firm’s institutional context and risk-avoidant leadership.

A critical realist interpretation further reveals that this restrained approach is not only influenced by the managerial preferences, but also rooted in the scope of work an field in which the company is operating. When the oil and gas sector is paired with legal consultancy

it imposes expectations of control, compliance and precision, factors that make new probabilistic technologies like GenAI to appear unfit. Leadership's belief and reliance of the established workflows further reinforces these norms: "*... they don't trust AI because they are used to traditional workflow.*" Additionally, the lack of regulatory guidelines and frameworks on GenAI in Kazakhstan, leaves companies without clear guidance for experimentation.

Although, there are no formal policies taking place, the interviewee showed awareness of potential governance issues that will need to be addressed in the future. At present, the firms structure lacks ethical protocols, usage guidelines or training initiatives, but still the possibility of integration remains open. The role of GenAI in the marketing sector, for instance appears to be a good fit for the entry point, as participant stressed: "*... I think that AI could enhance creativity in the marketing department of our company. Their work isn't tied to any serious documents, so they could experiment with it for ads, for example*"

Looking further, the interviewee expressed cautious optimism, suggesting that "*better tools*" would be essential for the future implementation, while also recognizing the importance of "*more talent and strong leadership*". The current gap between the individual readiness and organizational capacity presents structural barrier that has to be addressed. The participants also shared: "*Kazakhstan's usage of these tools by companies in the legal service industry is very limited. But to stay competitive, we need to harness the benefits of AI without disrupting the existing workflow.*"

Concluding, AVC illustrates a form of passive conservatism in response to GenAI. Even though the firm is not totally opposing the innovation, its deep-rooted cultural, structural and

leadership constraints prevent them from meaningful engagement with transformative technologies. As a result, the company keep relying on traditional practices, while still understanding the competitive advantage that GenAI presents and importance of its implementation to remain relevant in the rapidly changing professional landscape.

The table below provides a concise summary of all the insights, highlighting key findings and important details for easy reference.

| <i>Dimension</i>            | <i>Findings from interview</i>  |
|-----------------------------|---|
| <i>Company profile</i>      | Consulting firm in Kazakhstan focused on oil and gas industry. Services: legal, marketing, management, and business administration. Clients mostly in Kazakhstan and CIS.           |
| <i>Interviewee role</i>     | Senior Lawyer, responsible for contracts, due diligence, negotiations, and compliance.  |
| <i>Current use of GenAI</i> | No formal adoption. Some AI embedded in databases for background checks. Personal experimentation with ChatGPT showed issues (irrelevant and repetitive outputs, privacy concerns). |

|  |   |
|--|---|
| <i>Digital Strategy and Integration Approach</i> | Digitalization strategy focused on automation. GenAI excluded due to immaturity and unreliability.  |
| <i>Adoption Dynamics</i>                         | Leadership hesitant, risk-averse, reliant on traditional workflows. Some employees curious and supportive, but their views ignored.   |
| <i>Benefits and Opportunities</i>                | Potential in marketing (ads, creativity, client outreach). Long-term: could support legal work if more reliable and tailored to industry.                                     |
| <i>Challenges and Barriers</i>                   | Perception of unreliability; oil and gas + legal consultancy require precision; data privacy concerns; lack of national regulatory guidance; conservative leadership culture. |
| <i>Ethical and Governance issues</i>             | No policies or training in place. Ethical risks acknowledged; governance seen as necessary for future adoption.   |
| <i>Impact on workflow</i>                        | No impact yet, since GenAI not adopted. Automation continues without AI involvement.  |

|  |  |
|--|--|
| <i>Cultural and Strategic insights</i> | Institutional conservatism reinforced by leadership preferences; strong reliance on compliance and precision. “They don’t trust AI because they are used to traditional workflow.” |
| <i>Lessons and Suggestions</i>         | “Better tools, more talent, and strong leadership” needed for adoption. Must balance competitiveness with preserving credibility.  |
| <i>Overall Approach</i>                | Passive conservatism: open in principle but hesitant in practice, blocking experimentation; traditional workflows prevail.   |

*Table 4.2: Summary of Key Insights from the AVC Case Study*

*Source: Author’s elaboration based on an interview with Senior Lawyer, AVC Kazakhstan (2025).*

#### 4.2.3. Company C: Chiomenti (Italy).

In contrast with the informal experimenting at GRATA and risk-related conservatism at AVC, Chiomenti represents a more structured and thoughtful approach to GenaAI. Not only did they start to experiment with AI-driven tools through formal pilots, but they also introduced a special LegalTech department that is responsible for piloting, scouting, and supporting the organization in the digital transition. As a leading legal company in the country, with over

300 employees and almost a decade of experience with digital transformation, Chiomenti shows how institutional commitment and coordination through departments can support a careful process of integrating emerging technologies in sensitive sectors, such as legal consultancy.

According to the interviewee, who leads the Knowledge Management and Legal Technology team, the firm has been involved in the process of digital transformation for years, with GenAI being a natural part of it. Respondent shared: *“Digital maturity is high, since a long time, 10 years of the mentality like this”*. The adoption of GenAI specifically began in 2019, when it first gathered public attention, following investments in cloud migration and practice management systems. Nevertheless, the interviewee stressed that the company decided to be involved with ChatGPT and other similar domains, due to it being generic, repetitive and unprotected, instead, they chose to integrate purpose-built platforms: *“We have bought Harvey, a legal AI assistant from the US. We don’t use generic tools like ChatGPT because they are not confidential”*. Overall, the firm's approach is deliberate and measured with an extra focus on confidentiality and security: *“We are willing to take [the opportunity] because we are practical. Also secure and confidential, a lot of security.”*

Regarding GenAI, it is being used selectively, mainly to analyze large volumes of documents and translate them, especially in contexts where lawyers receive materials in multiple languages. Yet, the full integration of GenAI in legal workflow is still at an early stage. The respondent noted: *“For the practice of law, [we use it] to be more efficient in certain tasks. We tried in many different things”*. Another notable thing is that the firm has yet to introduce key performance indicators (KPI) to track the outcomes of GenAI use. The interviewee

shared: *“It’s very difficult to say [what the benefits are]. Unfortunately, there are no KPIs or measures. Currently, the only measure is usage. We don’t know the effect in the long term.”*

It is noticeable that adoption has been uneven throughout different departments. While some lawyers eagerly use the tools, others remain hesitant. “Yes, hesitation from the employees. And then adopters find. And start sharing with the others,” the interviewee shared this observation, demonstrating a typical internal adoption curve. Training and support are the main focus of the firm’s strategy. Harvey’s vendors provide monthly training sessions, and the internal Legaltech team supports lawyers directly. The interviewee shared the following: *“Training people [is a challenge], because as I mentioned before, it takes a lot of time. And sometimes lawyers find it hard to get used to it.”*

Despite the growing number of users, GenAI tools remain voluntary in the company. The participant shared: *“Usage of this tool is voluntary. But it significantly fastens the process, so we encourage everyone to use it, but we don’t know if they do or don’t.”* Additionally, the interviewee emphasized that cultural change is still in progress: *“AI literacy has to be higher of course. Products evolve very fast. The need is to stabilize to move to the mature phases.”*

From the theoretical perspective, Chiomenti demonstrates clear sensing and seizing capabilities. The firm is actively identifying use cases, acquiring necessary tools, and building supportive infrastructure around them. Early signs of organizational reconfiguration are evident, as the firm established a dedicated team with hybrid roles focused on AI-related workflows. Nevertheless, full organizational transformation is yet to occur. As the interviewee stated: *“Organizational structure stays the same... there is still a lot to do.”*

When analyzed through the critical realism lens, several enabling and constraining mechanisms emerge. First, the initiation of the LegalTech department presents a deliberate strategic investment, one that bridges the gap between technical potential and legal practicality. Second, external constraints, such as immaturity of the available tools and their limited knowledge of the local legal system, affect the speed and scope of adaptation. The participant stressed the following: *“Besides security, [a challenge is that] the product is too immature, not good for legal. No providers with local legislation. Don’t know Italian law enough. Too generic.”*

The participant also expressed optimism about the future of GenAI. From their experience, these tools are also helpful when it comes to brainstorming and looking at the issues from another perspective. This suggests that GenAI complements human creativity rather than replacing it: *“These tools are very good to do the project plan. They are just faster to come up with creativity.”* Still, the interview stressed that there are no transformative radical outcomes: *“I can’t say right now that what it does is unimaginable... yes, it helps to analyze big texts, yes, it helps with brainstorming, but nothing crazy. For now.”*

Governance of GenAI usage in the company is supported by internal policies that specify which types of documents can be uploaded to the tools and what is prohibited. The strategy of the company doesn’t include tracking other legal companies’ AI maturity, the whole focus for now is internal. The interviewee concluded that the success in AI adaptation is not only in the leadership and tools but also in the level of organizational self-awareness: *“You need to first know every single process inside your company. And it will help you to find the best fit for the company, regarding the AI tools.”*

In conclusion, Chiomenti presents a cautious but well-coordinated adoption of GenAI in a high-stakes professional context. Unlike GRATA or AVC, where the integration is either informal or nonexistent, Chiomenti has established both technical and cultural foundations that will support long-term integration. This case exemplifies the inspiring potential of responsible GenAI integration in the legal sector, driven by the firm’s strategic vision, thoughtful resource allocation, and a culture of openness.

The table below provides a concise summary of all the insights, highlighting key findings and important details for easy reference.

| <i>Dimension</i>            | <i>Findings from interview</i>  |
|-----------------------------|---|
| <i>Company profile</i>      | Leading Italian corporate law firm with 300+ employees; almost a decade of experience in digital transformation. Established reputation in legal consultancy.                             |
| <i>Interviewee role</i>     | Head of Knowledge Management and Legal Technology; leads LegalTech department and digital initiatives.  |
| <i>Current use of GenAI</i> | Selective use of purpose-built tools (e.g., Harvey - legal AI assistant). Not using ChatGPT or generic tools due to security concerns. Mainly used for document analysis and translation. |

|  |  |
|--|--|
| <i>Digital Strategy and Integration Approach</i> | Digital maturity high (10+ years). GenAI is integrated through structured pilots and formal departmental responsibility. LegalTech team created to scout, test, and support AI adoption. |
| <i>Adoption Dynamics</i>                         | Uneven adoption: some lawyers enthusiastic, others hesitant. Use of GenAI voluntary but encouraged. Cultural change ongoing; AI literacy still developing.                               |
| <i>Benefits and Opportunities</i>                | Efficiency gains in document analysis and translations; support for brainstorming and project planning; complements creativity by offering alternative perspectives.                     |
| <i>Challenges and Barriers</i>                   | Tools immature for legal use; lack of providers with Italian law knowledge; employee hesitation; training is time-consuming; absence of KPIs to measure outcomes.                        |
| <i>Ethical and Governance issues</i>             | Strong focus on confidentiality and security. Internal AI usage policies specify what can/cannot be uploaded. Confidentiality is prioritized over experimentation.                       |

|  |  |
|--|--|
| <i>Impact on workflow</i>              | Tasks completed faster (large document analysis, multilingual translation). No radical transformation yet. Adoption voluntary – impact uneven across departments.                            |
| <i>Cultural and Strategic insights</i> | LegalTech department bridges technology and practice. Strategic investment reflects deliberate and cautious culture. Firm focuses on internal development rather than external benchmarking. |
| <i>Lessons and Suggestions</i>         | Success in AI adoption depends not only on leadership and tools, but also on organizational self-awareness: “Know every single process inside your company to find the best AI fit.”         |
| <i>Overall Approach</i>                | Structured and coordinated adopter: cautious but deliberate integration of GenAI, balancing innovation with confidentiality and security.  |

*Table 4.3: Summary of Key Insights from the Chiomenti Case Study*

*Source: Author’s elaboration based on an interview with Head of Knowledge Management and Legal Technology, Chiomenti (2025).*

### 4.3. Cross-Case Analysis.

The three cases analyzed in this study, GRATA, AVC in Kazakhstan, and Chiomenti in Italy, reveal distinct patterns in how law firms are involved with GenAI, shaped by their differences in organizational structure, leadership dynamics, institutional and national environment. Although each company operates in the same sector and shares concerns about confidentiality, compliance, and professional standards, their approaches to GenAI adoption differ significantly, particularly in terms of strategic intent, initiatives, and organizational structure. This section analyzes these differences and similarities by examining recurring themes across the cases, thereby highlighting key contrasts between organizational and national contexts.

#### 4.3.1. Patterns across cases.

While analyzing all the data collected from the three firms, several patterns repeatedly emerge in how they engage with and adopt GenAI, despite differences in digital maturity and strategic planning. The most notable similarity is a shared acknowledgment of GenAI's potential to enhance legal workflows, particularly in the context of high-volume document analysis and repetitive tasks. All participants recognized that GenAI can support efficiency improvements by accelerating document review, assisting in translation, or providing a framework for drafting. As one interviewee described, GenAI tools can "*help to get to the right precedent faster*" or "*analyze big texts,*" especially under tight deadlines or resource constraints. These insights align with the view of GenAI as a decision-augmentation mechanism rather than a replacement for human judgment, as noted by Jarrahi (2018) and Kampik et al. (2024).

Another shared similarity is the concern regarding the immaturity of GenAI technologies, which thereby leads to widespread hesitancy. Across different national settings, participants consistently raised concerns about data privacy, the reliability of output quality, and the applicability of GenAI tools to their specific professional domains. Interviewees constantly referred to those tools as “*too generic*” or “*not good for legal*”, expressing their concerns over bias and lack of alignment with local legal standards. This corresponds to the broader theoretical concerns over ethical governance and reliance on the algorithms, as emphasized by McKinsey (2023) and Humphreys et. al. (2024). Surprisingly, even at Chiomenti, where the adoption is most structured throughout the cases, the tools are still limited to sandbox environments and basic tasks due to unresolved risks.

A third noticeable pattern involves the imbalance between the employee-level curiosity and the formal position of the organization. In all three companies, interest in experimenting with GenAI appears to originate mostly from individual initiative rather than top-down decision-making. For example, at GRATA and AVC, younger staff showed interest in informal use of ChatGPT for drafting standard documents, even as management either discouraged or completely ignored this experimentation. Additionally, at Chiomenti, early adopters from the legal team contributed to the adoption from the bottom up, eventually resulting in more structured trials and the formation of a new relevant department. This pattern reflects an early stage of organizational ambidexterity, as described by O’Reilly and Tushman (2013), where exploration emerges informally even within exploitative structures. In summary, the cases suggest that interest in GenAI is organic and professional curiosity-

driven. However, if this interest transforms into real, sustained changes highly depends on how the leadership responds.

#### 4.3.2. Contrast Between Contexts.

While the previous section was dedicated to the similarities in perception and early-stage engagement with GenAI tools, this section draws attention to the contrasts between three cases, especially in their institutional context, organizational culture, and leadership approach. Considering that these contrasts significantly shape the firms' readiness and maturity to adopt GenAI in a sustainable, efficient, and strategic way.

Firstly, at the institutional level, there is an evident contrast in the digital infrastructure and level of regulatory guidance. Chiomenti's position is quite better from other cases, due to being a company that operates in the European context, shaped by the AI Act and broader EU digital governance framework, which allows for safe experimentation with clear ethical and legal boundaries. The firm also has access to more mature legal AI vendors, such as Harvey, and cooperates with them in a formal way with proper procurement and training sessions. Instead, both Kazakhstani companies struggle with an underdeveloped regulatory environment, with no clarity around data privacy, digital ethics, and AI-specific laws. Such institutional gaps can lead to fragmentation, caution, and stagnation, as previously mentioned by Eapen et. al. (2023). One of the interviewees pointed out that "Kazakhstan's usage of these tools by companies in the legal service industry is very limited," reinforcing how context draws what is even considered possible and what is not.

Organizational culture also significantly influences perception. For example, Chiomenti demonstrates a well-established and open environment for experimentation, reflected in its

decade-long investment in digital transformation and innovation. Since the firm's leadership sees technology as an enabler rather than a threat, it views GenAI as an ongoing legal tech initiative. In contrast, GRATA is somewhere in the middle – it demonstrates some willingness to change, mainly from junior staff, but lacks unity in vision and cultural infrastructure to guide this digital transformation. As for AVC, it presents a more conservative and traditional culture, where AI is perceived as incompatible with the whole identity of the firm. Management of AVC, demonstrates lack of knowledge in AI tools, therefore hesitancy to use it, calling it disruptive and irrelevant, despite the interest from employees. These responses align with Schein's (1985) theory of cultural artifacts and assumptions, and Hofstede's (1991) concepts of uncertainty avoidance and power distance, which explain the differences in the responses to the same technology by seemingly the same structured firms.

Leadership engagement plays a crucial role in shaping organizational outcomes. At Chiomenti, leaders not only welcome innovation but actively support it by allocating resources and forming a dedicated team to oversee adoption. In contrast, GRATA's leadership takes a neutral stance, neither promoting nor opposing GenAI, which has led to its inconsistent and rather informal use across the firm. AVC's leadership is more cautious, clearly stating that GenAI does not align with the firm's strategic context. These variations illustrate Easton's (2010) concept of generative mechanisms in critical realism: outcomes are not determined solely by the presence of technology, but by the interplay between leadership vision, cultural expectations, and institutional structures.

| Aspect                     | Similarities (All Cases)  | Differences   |
|----------------------------|---|---|
| <i>Perception of GenAI</i> | Recognized potential to improve efficiency in repetitive/legal drafting tasks. Seen as augmentation, not replacement of human judgment. | Chiomenti = structured pilots with LegalTech dept.<br><br>GRATA = informal experimentation by juniors.<br><br>AVC = no adoption, leadership rejection.  |
| <i>Concerns</i>            | Shared skepticism about immaturity of tools, confidentiality, and “generic” outputs not tailored to legal sector.                       | Chiomenti = concern about immaturity but still pilots secure tools (Harvey).<br><br>GRATA = strong client/data confidentiality concerns.<br><br>AVC = distrust reinforced by leadership conservatism and weak regulatory context. |
| <i>Drivers of Adoption</i> | Employee-level curiosity in all firms.  | Chiomenti = supported by leadership and resources.<br><br>GRATA = bottom-up by juniors, no leadership push.<br><br>AVC = employee curiosity ignored, leadership blocks.   |

|                                     |  |   |
|-------------------------------------|--|---|
| <p><i>Institutional Context</i></p> | <p>All shaped by sector sensitivity (legal, oil &amp; gas) → demand for precision and risk-aversion.</p> | <p>Chiomenti = EU AI Act, mature vendors, strong infrastructure.</p> <p>Kazakhstan (GRATA &amp; AVC) = weak regulation, fragmented environment.</p>     |
| <p><i>Cultural Attitude</i></p>     | <p>Hesitation exists across all cases.</p>   | <p>Chiomenti = open, innovation-oriented.</p> <p>GRATA = mixed (junior open, senior cautious).</p> <p>AVC = conservative, traditional, risk-averse.</p> |
| <p><i>Leadership Role</i></p>       | <p>Leadership is decisive in shaping adoption path.</p>  | <p>Chiomenti = proactive, invests in LegalTech.</p> <p>GRATA = neutral, no vision.</p> <p>AVC = negative, blocks adoption.</p>                          |
| <p><i>Outcomes so far</i></p>       | <p>None show radical transformation.</p>   | <p>Chiomenti = structured efficiency gains, early reconfiguration.</p> <p>GRATA = small workflow improvements, exploratory.</p>                         |

|  |  |                                     |
|--|--|-------------------------------------|
|  |  | AVC = no adoption, only automation. |
|--|--|-------------------------------------|

*Table 4.4: Cross-Case Comparison of GenAI Adoption in Legal Firms.*

*Source: Author's elaboration based on interviews with Chiomenti, GRATA, and AVC (2025).*

#### 4.3.3. Organizational Capabilities and Enabling Mechanisms.

The differences discussed earlier are not just about how the external environment is perceived, they also reflect the internal capabilities needed to adapt GenAI, its development, and its varying presence. This subsection examines how each of the firms demonstrates or fails to do so, the core dimensions of dynamic capabilities, such as sensing, seizing, and reconfiguring (Teece, 2007; Mikalef & Gupta, 2021), along with training infrastructure, internal governance, and employee empowerment.

Across the three cases, these capabilities are unevenly distributed. In GRATA's case, there is a pocket of sensing activity, since younger employees are engaging with the GenAI tools, such as ChatGPT, for drafting support. Nevertheless, this interest remains informal, isolated, and unsupported. Additionally, there are no mechanisms for evaluating and scaling GenAI use, no internal policies, and no proper training sessions. As a result, even if there is a small presence of sensing, the organization lacks alignment to seize and reconfigure in a coordinated way.

AVC instead shows no signs of any dynamic capabilities. There is no active monitoring of the technological opportunities, no structured discussions on the adoption, and no internal realignment in workflow or roles. As emphasized by Mikalef and Gupta (2021), the sole

access to advanced technologies is insufficient without an organizational capacity for learning and change. AVC's leadership remains attached to traditional practices and refuses to either experiment or change internally. In this context, the employees' curiosity and interests remain unsupported, which stops the firm from taking innovative initiatives.

On the other hand, one of the firms demonstrates all three of the dimensions. Internal capacity is strengthened by a specialized team responsible for evaluating and testing tools, supported by the leadership's decision to integrate external vendors. Yet, even in this case, reconfiguring is only partial. While training programs are in place and pilot projects are ongoing, long-term tracking mechanisms, such as KPIs or other measurable outcomes, are not yet initiated. This partial maturity reflects what Teece (2018) describes as "incomplete orchestration," where sensing and seizing are active, but full operational transformation is still in progress.

In summary, deeply contrasting the three corporations on this basis shows that the very readiness to implement GenAI is not only based upon industry or technology factors but also on the dynamics inside each organization: structures, leadership accountability, and support for employee-driven initiatives. Some companies are already beginning to forge clear and coordinated implementation strategies, while others remain cautious or are constrained by internal division and rigid cultural norms. This disparity underscores the importance of factors such as clearly defined strategic intent, organizational agility, and inclusive participation for taking a GenAI initiative from isolated experiment to distributed organizational capability. The way these factors are addressed will ultimately determine whether GenAI integration results in a fragmented existence or a carefully planned strategic

process. The following section will examine how these findings are related to, challenge, or expand upon the theoretical frameworks discussed in Chapter 2.

#### 4.4. Interpretation Through Theoretical Lenses.

This section offers a conceptual mapping to better understand the mechanisms that shape GenAI adoption across different organizational and national contexts by interpreting the empirical findings mentioned in the section above through a multi-theoretical framework outlined in Chapter 2. This includes the dynamic capabilities perspective, theories of organizational culture, ambidexterity, ethical governance, and the broader ontological foundation of critical realism. However, this theoretical alignment does not seek to offer a prescriptive conclusion, but instead provides a structured conceptual map.

Across all three firms, dynamic capabilities serve as the most reliable and clear indicator if the firm is ready for integrating GenAI. While the presence of technological tools was a common feature, only one firm has made active efforts to sense, seize, and reconfigure in a coordinated way. As Teece (2007) and Mikalef & Gupta (2021) argue, the only thing that transforms innovation from possibility to reality is the ability to perceive technological shifts and realign internal processes as needed. Instead, firms with weak internal sensing or inflexible organizational practices remain at the early experimentation stages or even resistant, although aware of GenAI's potential. This emphasizes the theoretical expectation that technology by itself is insufficient, it is the internal capacity for change that determines strategic impact.

Organizational culture, as theorized by Schein (1985) and Hofstede (1991), emerged as one of the major filters through which GenAI was interpreted and acted upon. Firms with rigid

hierarchies, deference for tradition, or uncertainty avoidance patterns of behavior moved very slowly in adoption and were not very interested in experimenting. These cultural logics explicitly shaped the internal framing of GenAI to be either something to be mitigated as a risk or explored as an opportunity. Culture had thereby become more than just the background context but rather an active force affecting employees and leadership alike in the perception of legitimacy and desirability of GenAI initiatives.

Furthermore, since the findings highlight the ambidexterity challenge that adoption of GenAI represents. Echoing O'Reilly and Tushman (2013), balancing operational efficiency (exploitation) with innovation (exploration) remained problematic for longer periods for some of the firms. In some cases, GenAI was relegated to minor use cases, implying that experimentation was still tolerated but was not yet institutionalized in a strategic sense. The concern is the tension existing between exploration and exploitation, especially when it comes to knowledge work such as the legal consultancy, which refers to the cognitive and structural duality necessary for the meaningful integration of GenAI.

Viewed through organizational resilience, the cases demonstrate that resilience is not simply a reactive capacity. As Duchek (2020) and McKinsey (2023) stressed, resilient organizations actively prepare by investing in shaping adaptive routines and new skillsets. The way firms diverged in their approach to risk—with some adopting tight control and others permitting guided experimentation—illustrates the strategies that underpin their resilience. Where regulation remains vague or organizational memory prioritizes risk-avoidance, resilience takes on the conservative end, and the integration of GenAI proceeds at a very slow pace, even if the benefits are well recognized.

Governance ethics and algorithmic accountability played a rather fragmented role cross-sectionally throughout the cases. In the presence of raising gloom on issues of risks on data privacy and misinformation (McKinsey, 2023; Humphreys et al., 2024), only one company reported having developed internal mechanisms, including sandbox environments, trial frameworks, and responsible usage policies. The lack of such frameworks in other cases is an illustration of the disconnect that exists between ethical awareness and implementation, thus icing the embering debate about optimistic biases and the absence of formal safeguards (Li, 2025; Reznikov, 2024).

The above findings further emphasize the critical importance of applying a critical realist approach. As Easton (2010) and Aguzzoli et al. (2023) point out, observed various practices of adoption of GenAI cannot be sufficiently explained by surface factors such as firm size or digital maturity. Instead, it is because they result from deeper generative mechanisms, which are often invisible. Such generative mechanisms include leadership vision, internal dynamics of trust, and inertia in corporate culture. By accounting for both empirical variation and underlying structures, this interpretive-critical realist approach allows for a more grounded and explanatory understanding of how GenAI unfolds across different organizational and national settings.

In sum, this section has demonstrated how the theoretical framework introduced in Chapter 2 enables a richer interpretation of the empirical patterns revealed in Chapter 4. The following chapter will build on this interpretation by integrating findings with prior literature, assessing their implications, and outlining how these insights contribute to both theory and practice.

## Chapter 5. Discussion.

### 5.1. Interpretation of Findings.

Whereas Chapter 4 presented the empirical findings and section 4.4. mapped them against the main theoretical frameworks used as ground for this research, this chapter goes further by directly answering the research questions. The purpose is not to repeat and restate the results, but to analyze their meaning and highlight their significance for the legal service sector, as well as to demonstrate how they extend or challenge existing debates.

#### 5.1.1. Human-AI Collaboration of Findings.

The first research question asked whether Generative AI replaces or augments human creativity. Across all three cases, the insights suggest that there is a clear pattern of augmentation rather than substitution. For instance, in GRATA, junior lawyers informally used ChaGPT for drafting, but legal creativity still remained rooted in human interpretation. Additionally, at Chiomenti, adoption of Harvey illustrated how GenAI can support brainstorming and project planning, without substituting professional judgement. Even at AVC, where the adoption was absent, the employees shared their curiosity in GenAI, acknowledging it as an enabler of the creative process.

These results resonate with the studies that frame AI as a decision-support mechanism (Jarrahi, 2018; Kampik et al., 2024) and with Holzner et. al. (2023) and Dellermann et al. (2021), who stress that GenAI is more effective when it is a part of human-AI collaboration systems. Furlong (2024) likewise argues that GenAI liberates lawyers from repetitive work, which allows them to focus on more creative and high-value tasks, and as a result, the company becomes more productive, despite challenging the conventional billable-hour

system. Nevertheless Terzidou (2023) warns that lawyers' cultural mistrust stems from the fear of violating the trust of clients and professional legitimacy when relying on AI.

The findings demonstrate that creativity outcomes are dependent on organizational factors. When leadership and governance structure provide legitimacy (Chiomenti), GenAI becomes a co-creative partner. Where leadership actively refuses and blocks adoption (AVC), the anticipated gains remain only theoretical. Where governance is absent (GRATA), creativity is inconsistently augmented. This dynamic suggests that GenAI doesn't automatically make creativity more accessible or equal for everyone in a company. Instead, it tends to reinforce the existing culture and leadership style of the organization.

#### 5.1.2. Innovation and Workflow Transformation.

The second research question examined whether GenAI affects innovation and operational transformation, and how it influences the processes of knowledge creation, collaboration, and workflow design. Findings demonstrated that the adoption of GenAI is uneven across the cases: structured at Chiomenti, exploratory at GRATA, and absent at AVC. At Chiomenti, pilots and training improved efficiency in analyzing documents and multilingual translation, but innovative changes were gradual and built upon existing ideas, with no measurable KPI's. At GRATA, the integration took fractured bottom-up form. At AVC, automation continued without the GenAI, signaling organizational inertia.

This comes in line with Teece's (2007) dynamic capabilities theory: that only those firms capable of sensing, seizing, and reconfiguring in a coordinated, structured way are able to outdo the isolated experimentation (Mikalef & Gupta, 2021). Additionally, this spectrum aligns with ambidexterity tension (O'Reilly & Tushman, 2013), where law firms should

exploit the efficiency when trying new models; however, since client trust and liability are a top priority, exploration becomes secondary. Moreover, Contini (2024) notes that organizational hierarchy and billable-hour systems constrain the reconfiguration in a firm, even when the potential exists.

Stating that the evidence suggests that GenAI in legal services is mainly used for operational innovation, such as efficiency gains, rather than strategic transformation. As Villaseñor (2024) observes, GenAI can enhance workflows, like drafting and research, but long-term sustainable benefits require structural adaptation of incentives and governance. Without this, GenAI will remain as an “efficiency play” rather than a transformative drive for organizational change.

### 5.1.3. Organizational Enablers and Barriers.

The third question explored the enabling mechanisms and barriers that influence the successful integration of GenAI technologies. Analyzing the findings, there are three main factors: leadership commitment, cultural openness, and governance infrastructure.

The role of leadership in the outcomes of adoption is very high. For instance, at Chiomenti, the management invested in the LegalTech department and other vendor partnerships, at GRATA, the management remained neutral, while at AVC, the leadership blocked adoption outright. This phenomenon is supported by Easton’s view (2010) that generative mechanisms such as managerial vision decisively condition outcomes.

Organizational culture plays a massive role as well. As shown by Chiomenti, their decade-long digital transformation created openness. Alternatively, GRATA reflected generational divide, and AVC showed cultural conservatism and high uncertainty avoidance (Hofstede,

1991). Additionally, Schien's (1985) theory of cultural assumptions explained why technological opportunities did not turn into real practices at AVC and GRATA.

Finally, Chiomenti stood out for its governance and training efforts. It introduced secure testing environments and structured training programs, while GRATA and AVC had no such policies. This supports Mikalef & Gupta's (2021) argument that organizations need structured learning systems before adopting AI. Needham (2025) further emphasizes that in the legal sector, strong governance is essential due to strict confidentiality and liability requirements.

Overall, the adoption of GenAI was slowed more by the lack of alignment among leadership, culture, and governance than by the technology's immaturity. Therefore, even if interest and tools are present, without proper alignment, implementation remains inconsistent and vulnerable to disruption.

#### 5.1.4. National and Cultural Influences.

The final research question asked if national and cultural factors impact the successful implementation of GenAI and to what extent. Indeed, the findings suggest that they do.

Chiomenti benefited from EU digital infrastructure and regulatory clarity (AI Act, GDPR), which enabled a disciplined and credible experimentation process. In Kazakhstan, AVC and GRATA operated without established frameworks for AI governance, which fostered caution and stagnation (Eapen, 2023).

Cultural dynamics further differentiated contexts. In particular, since Italy and Kazakhstan are far away from each other, not only geographically speaking, but also culturally. Italian firms, while cautious, are embedded in the culture of gradual innovation. On the other hand, Kazakhstani firms showed high uncertainty avoidance and hierarchy, reinforcing managerial reluctance. This once again reflects Hofstede's (1991) cultural dimensions and explains why junior-led experimentation at GRATA lacked institutionalization, while in Italy, the same bottom-up curiosity was more readily legitimized.

Therefore, the national context plays a key role in shaping how organizations operate. Firms in emerging economies often face greater challenges due to unclear regulations and traditional cultural norms, while those in more developed countries benefit from supportive environments, even if they are cautious internally.

## 5.2. Comparison with Previous Studies.

The results of this thesis resonate with, but also extend, recent research on the adoption of artificial intelligence in the legal sector. A growing body of studies emphasizes the very slow and uneven pace of adoption across law firms. Murphy (2023), reporting on UK firms, found that only 3% had integrated generative AI into operations, while 60% had no plans to do so in the near future. This mirrors the caution observed in the Kazakhstani cases, where experimentation was either fragmented or blocked, and aligns with Chiomenti's restrained, pilot-based approach in Italy. However, this study goes further by demonstrating how such caution is shaped not only by professional conservatism but also by national context: while EU firms can rely on frameworks like the AI Act to legitimize

experimentation, Kazakhstani firms face an institutional void that reinforces managerial reluctance.

Previous research has also highlighted how AI challenges established professional roles and business models. Brooks et al. (2020) conceptualized AI adoption as a form of business model innovation (BMI), where established structures such as the billable-hour model and governance concentrated on the partners constrain transformative use. This finding is mentioned by Contini (2024), who similarly points to the structural inertia of law firms. The present study reinforces this view: in all three cases, AI remained restricted to operational improvements rather than strategic reconfiguration, because of the well-established billing practices, governance processes, and liability concerns.

Another section of literature focuses on employees' perceptions of AI. Beebeejaun and Gunputh (2023), analyzing adoption in Mauritius, found that resistance was driven by fear of job displacement, disruption of professional hierarchies, and the extensive training required to use new systems effectively. This aligns with the findings in GRATA and AVC, where younger lawyers expressed curiosity while senior staff resisted change, and confirms that generational divides and professional identity concerns are recurrent features of legal AI adoption. Nevertheless, by situating these dynamics in Kazakhstan, this thesis extends the debate to a non-Western, resource-constrained environment, where institutional uncertainty amplifies these employee-level concerns.

Additionally, several scholars argue that AI should be understood less as a replacement and more as an augmentation of professional judgment. Alarie, Niblett, and Yoon (2018) emphasized that AI can support lawyers in tasks such as precedent analysis and outcome

prediction but cannot replace their interpretive authority. Villaseñor (2024) similarly stresses that adoption requires a reconfiguration of professional roles, with junior lawyers moving away from repetitive drafting and senior lawyers focusing on advocacy and advice. The findings of this thesis reinforce these perspectives. For instance, in Chiomenti and GRATA, AI tools were consistently framed as assistants rather than substitutes, with confidentiality and interpretive authority firmly being human-led.

All together, these comparisons show that while prior studies highlight law firms' caution, conservatism, and resistance, this thesis contributes an additional aspect by explaining how national and institutional contexts condition these dynamics. In Italy, regulatory clarity and digital maturity enabled structured but cautious experimentation; in Kazakhstan, a lack of AI regulations and cultural conservatism resulted in stagnation or immediate rejection. Therefore, this thesis extends the literature by demonstrating that adoption barriers cannot be reduced to professional conservatism alone but must be understood as the combined influence of organizational culture, institutional frameworks, and national environments.

### 5.3. Implications of the Study.

Generative AI is a fast-developing technology, and its implementation in law firms is met with enthusiasm, hesitation, and uncertainty. Lawyers acknowledge the potential of GenAI to accelerate repetitive tasks and enhance the analysis process, but adoption remains cautious. This hesitation stems from the need for substantial investments in training, governance structures, and oversight mechanisms. Legal professionals often speak from their own experiences, which can introduce fragmented or biased perspectives. Nevertheless, it doesn't undermine or weaken this thesis's findings. On the contrary, it

underscored how AI adoption is shaped by the viewpoint of individuals and the unique culture within the organization.

The findings reveal several implications. First of all, the adoption of GenAI is not only about a technical upgrade, but about the socio-professional change that requires a certain level of maturity in leadership, training, and regulations. Second, resistance to AI, which is rooted in the identity, ethics, and client trust, should not be viewed as a barrier to eliminate, but as a dynamic to change. Third, resilience in legal service firms requires more than internal stability, but also clear external governance frameworks. Overall, this thesis reframes AI adoption as a gradual, context-sensitive process, one that reshapes rather than replaces human expertise, and extends theories of dynamic capabilities and organizational resilience into the realm of professional services.

#### 5.4. Limitations of the Study.

Like any qualitative study, this research had specific methodological and contextual limitations. Nevertheless, it doesn't diminish its value; instead, it reflects on the challenges of researching rapidly evolving and sensitive topics such as AI in the legal sector. Therefore, the use of Multiple Mini Case Study (MMCS) following Käss et al. (2024) was a deliberate and well-thought-out choice. This approach allows for generating insights across different organizations, where access is naturally limited. Even though only one key informant was interviewed in each team, these individuals are directly involved in legal innovation and digital transformation processes, providing perspectives that are both valuable and authoritative. The benefit of using the MMCS approach lies in its ability for analytical generalization, which allows for the identification of patterns and mechanisms that can

extend theory, rather than aiming for statistical representativeness, which is inappropriate for these early stages of AI adoption.

Another limitation is the absence of the recorded interviews, due to participants' preferences. This restricted the possibility of producing verbatim transcripts and using coding software for analysis. Nevertheless, detailed field notes and immediate post-interview reflections were systematically maintained to preserve the richness of the data. Triangulation with secondary sources, including company websites, reports, and professional publications, further enhanced the study's credibility.

The sectoral focus on law firms narrows the scope of applicability. Legal services have very specific traits and are characterized by professional logic, liability concerns, and conservative governance models, which shape AI adoption in distinctive ways. "Therefore, the findings from this study should not be assumed to apply directly to other industries that rely heavily on specialized knowledge. However, focusing specifically on the legal sector is also a strength. Law is one of the most cautious and tradition-driven professions, which makes it an ideal setting for studying how generative AI is adopted in environments that are slow to change and highly risk-aware.

The cross-national comparison is similarly shaped by boundaries, including only Italy and Kazakhstan. Even though this provides valuable insights into a digitally mature EU jurisdiction and a transitional post-Soviet economy, it does not encompass other institutional environments, such as common law systems or advanced digital economies in the Global South. Future research could extend the comparison to these additional contexts.

The multi-theoretical framework applied in this thesis, which integrates dynamic capabilities, organizational culture, ambidexterity, resilience, and governance, provided a rich foundation for interpreting the findings. At the same time, it introduced certain imbalances. For instance, ambidexterity was observed indirectly rather than through systematic measurement, and resilience was assessed based on organizational posture rather than longitudinal data.

These limitations are not solely methodological in nature; they also reflect the empirical realities of the research context. The difficulty in securing access to multiple stakeholders, the absence of measurable key performance indicators, and the reluctance of firms to disclose information about sensitive processes are indicative of the conditions surrounding generative AI adoption in law. These characteristics highlight the sector's opacity, its emphasis on confidentiality, and its cautious approach to innovation. As a result, the limitations of the study not only define its scope but also reveal the underlying dynamics of conservatism, risk management, and institutional uncertainty that shape this field.

The findings of this study lead to several key recommendations for law firms, policymakers, and future research. For law firms, the central priority is to move beyond isolated or informal experimentation and to establish comprehensive governance frameworks that ensure generative AI adoption is legitimate, transparent, and ethically sound. This involves creating internal policies that clearly define the tasks for which AI can be used, implementing oversight mechanisms such as mandatory verification of AI-generated outputs, and introducing training programs that are tailored to different levels of professional experience. Such programs are essential for addressing the enthusiasm often

found among junior staff as well as the skepticism that may exist among senior professionals. Recent research confirms that training should not be treated as a one-time event but as a continuous process requiring significant time investment and strong leadership support (Beebeejaun & Gunpath, 2023; Murphy, 2023).

In addition to governance and training, firms are encouraged to develop metrics that assess the impact of AI not only in terms of operational efficiency but also in areas such as creativity, organizational resilience, and client satisfaction, as proposed by Brooks et al. (2020). For policymakers and professional bodies, there is an urgent need to offer regulatory guidance that is tailored to the legal sector and that balances technological innovation with professional responsibility. Particular attention should be given to issues of confidentiality, liability, and accountability, as highlighted in the work of Terzidou (2023) and Needham (2025). Measures such as sandbox environments, certification programs for professionals with AI expertise, and mandatory transparency protocols can help law firms adopt generative AI in a responsible manner while maintaining client trust.

Looking ahead, future research should adopt longitudinal and multi-stakeholder approaches to better understand how generative AI integration develops over time. It should also explore the effects of AI on professional identity and career trajectories, and expand comparative studies to include other sectors within professional services. Collectively, these recommendations emphasize that the successful adoption of generative AI is not simply a technical decision made within individual firms. Rather, it is a collaborative process that requires alignment across organizational structures, professional norms, and broader institutional systems.

## Chapter 6. Conclusion

This thesis explored how professional service firms, with a focus on law firms, engage with Generative AI (GenAI) and what factors support its meaningful integration. Drawing on a multiple-case, interpretive critical realist approach, the study examined three firms located in Kazakhstan (GRATA and AVC) and Italy (Chiomenti). It investigated GenAI's influence on creativity, innovation, dynamic capabilities, and organizational resilience, while considering the broader institutional and cultural context. The findings indicate that successful outcomes depend less on the technical maturity of AI tools and more on leadership intent, governance structures, and organizational culture. National regulatory frameworks also play a significant role in shaping what firms can credibly pursue. Overall, GenAI currently serves to enhance rather than replace expert work, and its transformative potential emerges only when organizational mechanisms are intentionally aligned.

### 6.1 Summary of Key Findings

Across all cases, GenAI was consistently used to support professional judgment rather than to replace it. At GRATA, junior professionals employed GenAI informally to assist with drafting and reviewing large volumes of text, while final interpretation remained a human responsibility. At Chiomenti, purpose-built tools such as Harvey were used to support brainstorming, multilingual analysis, and strategic planning, without undermining legal reasoning. In contrast, AVC had not adopted GenAI, primarily due to managerial hesitation, despite recognizing its potential. The creative benefits of GenAI were most evident in environments where legitimacy and guidance were present, and remained inconsistent in the absence of governance.

Innovation outcomes varied across firms. Chiomenti demonstrated a coordinated approach through pilot programs, structured training, and a dedicated LegalTech function. GRATA showed fragmented, bottom-up experimentation without a cohesive strategy. AVC continued to pursue automation but explicitly excluded GenAI from its agenda. Without structural changes to incentives, processes, and roles, GenAI tended to be used for efficiency gains rather than as a driver of strategic transformation.

Three organizational factors were found to influence progress: leadership commitment and vision, cultural openness and trust, and governance infrastructure, including policies, controlled testing environments, and training programs. When these elements were aligned, as seen at Chiomenti, experimentation was credible and well-managed. In contrast, neutral leadership at GRATA and skeptical leadership at AVC led to stalled adoption, even when interest existed within the organization. Overall, misalignment among these factors proved more limiting than the technical immaturity of the tools themselves.

National and institutional context also played a critical role. In Italy, clear regulatory guidance at the European level, such as the GDPR and the AI Act, along with higher digital maturity, supported cautious experimentation. In Kazakhstan, regulatory uncertainty and a cultural tendency toward risk avoidance contributed to managerial reluctance, resulting in informal trials or complete avoidance of GenAI. These differences illustrate how professional conservatism interacts with institutional gaps to shape distinct adoption trajectories.

## 6.2 Theoretical Contributions

This study contributes to dynamic capabilities theory by applying it to a high-liability professional services context. It demonstrates that the process of sensing, seizing, and reconfiguring in relation to GenAI depends not only on technical opportunities but also on the legitimacy of governance structures. While purpose-built tools and controlled testing environments support the initial stages of adoption, meaningful reconfiguration requires changes to incentives and roles. Therefore, capability development in legal services is closely tied to ethical and procedural safeguards.

The study also advances understanding of organizational culture and ambidexterity in the context of GenAI. Culture functions as a filter that either legitimizes or suppresses exploration. In firms characterized by strong uncertainty avoidance or adherence to precedent, exploratory use of GenAI remains marginal, even when efficiency benefits are clear. This finding highlights how ambidexterity is shaped by identity and client credibility concerns within professional settings.

By adopting a critical realist perspective, the study identifies underlying mechanisms such as leadership beliefs, trust dynamics, and risk attitudes that lead to different outcomes among firms that appear similar on the surface. The comparison between national contexts reveals how institutional support, or its absence, influences which mechanisms can be activated. This explanation moves beyond simplistic notions of tool immaturity or resistance to change.

### 6.3 Practical Implications

For law firm leadership, the central challenge is achieving alignment. It is essential to establish formal AI policies that define acceptable uses, require human oversight, and set clear boundaries around confidentiality. These policies should be supported by secure pilot programs and training initiatives that are tailored to different levels of seniority. Without this institutional foundation, experimentation is likely to remain fragmented and fragile, even when there is internal enthusiasm.

To build capabilities, firms should invest early in tools that are specifically designed for legal tasks and meet data security requirements. They should also establish bridging roles, such as LegalTech functions, that connect legal practice with technological development. Learning systems should go beyond one-time workshops and include ongoing coaching and peer-to-peer knowledge sharing. Success should be measured not only by efficiency gains but also by improvements in collaboration, creativity, and client satisfaction.

In terms of risk and resilience, technical safeguards must be complemented by reputational safeguards. Firms should communicate their protocols to clients, ensure that human oversight remains central, and develop formal procedures for responding to errors in AI outputs. In jurisdictions with emerging regulatory frameworks, firms can adapt governance models from more mature contexts to meet local legal requirements and avoid policy stagnation.

For policymakers and professional associations, there is a pressing need to develop guidance that is specific to the legal sector. Clear standards for acceptable use, audit

procedures, and data management will help reduce perceived risks and encourage responsible experimentation with GenAI.

#### 6.4 Limitations and Directions for Future Research

This study employed a Multiple Mini Case Study design, relying on single key informants per firm and without audio recordings. Although these limitations were addressed through reflective note-taking and triangulation with secondary sources, they reduce the depth and precision of measurement, particularly in areas such as long-term resilience and ambidexterity. The focus on law firms and the geographic scope limited to Italy and Kazakhstan also restricts the generalizability of the findings to other sectors and regions.

Future research should consider longitudinal and multi-stakeholder designs to track how GenAI adoption evolves over time. Comparative studies involving additional legal systems and Global South contexts would help assess the influence of institutional factors. Researchers should also develop and test performance indicators that capture creative augmentation, knowledge sharing, and client-facing quality, rather than focusing solely on speed. Finally, studies should explore how changes to incentive structures, such as adaptations to billable-hour models, can support strategic rather than purely operational uses of AI.

#### 6.5 Final Thoughts

Generative AI is not a shortcut to better legal practice. Its value depends on how organizations identify opportunities, implement safeguards, and restructure their systems to support sustainable use. In this study, firms that combined technical exploration with institutional legitimacy made meaningful progress. Those that relied on curiosity without

governance, or caution without strategic vision, did not. For professional service firms, the future lies not in replacing human expertise, but in redesigning systems to support it—ensuring that AI augmentation is reliable, transparent, and deserving of client trust.

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