



The Influence of Corporate Governance on E-Commerce Company Performance in the Artificial Intelligence Era

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Abstract

This study investigates the influence of corporate governance on the performance of e-commerce companies in the Philippines in the era of Artificial Intelligence (AI). The rapid development of AI technologies has transformed digital business operations, increasing the importance of governance mechanisms in ensuring organizational effectiveness, accountability, and competitiveness. This research employed a quantitative explanatory approach using survey data collected from managers and executives working in Philippine e-commerce companies. The data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The findings reveal that corporate governance has a positive and significant effect on company performance. Governance dimensions such as transparency, accountability, board effectiveness, risk management, and stakeholder protection were found to contribute substantially to operational efficiency, innovation capability, financial growth, and competitive advantage. The study also demonstrates that governance quality plays an important role in supporting organizational adaptability within AI-driven business environments. The research contributes theoretically to governance and digital transformation literature while providing practical implications for managers and policymakers seeking to strengthen governance frameworks and organizational sustainability in the digital era.

INTRODUCTION

The rapid expansion of digital technology has transformed the global business landscape, particularly in the e-commerce industry. The emergence of Artificial Intelligence (AI) has accelerated this transformation by enabling firms to optimize operational efficiency, personalize customer experiences, improve decision-making processes, and strengthen competitive advantages (Mohammed & Madhumithaa, 2024; Rane et al., 2024; Chowdhury, 2024; Oyekunle & Boohene, 2024; Mahabub et al., 2025). In Southeast Asia, the Philippines has emerged as one of the fastest-growing digital economies, driven by increasing internet penetration, mobile commerce adoption, and digital payment utilization. The Philippine e-commerce sector has experienced substantial growth in recent years, supported by government

digitalization initiatives and changing consumer behavior after the COVID-19 pandemic (Goloshchapova et al., 2023; Gavrilă Gavrilă & De Lucas Ancillo, 2022; Nikolić et al., 2022; Chowdhury et al., 2022). However, despite this growth potential, many e-commerce companies continue to face challenges related to organizational performance, strategic governance, technological adaptation, and sustainability. In this context, corporate governance becomes a critical factor influencing how firms respond to technological disruption and maintain long-term competitiveness in the era of AI (Kalkan, 2024; Mgbemena et al., 2025; Chen et al., 2026; Yanney, 2025).

Corporate governance refers to the mechanisms, structures, and processes used to direct and control organizational activities to achieve accountability, transparency, efficiency, and stakeholder protection (Banda, 2023). According to agency theory, effective corporate governance reduces conflicts of interest between management and shareholders while improving organizational performance through strategic supervision and monitoring (Sari, 2023; Mismiwati, 2025; Efunniyi et al., 2024; Trivedi et al., 2024). In AI-driven industries such as e-commerce, governance quality becomes increasingly important because technological innovation often introduces strategic risks, ethical concerns, cybersecurity vulnerabilities, and operational uncertainties. Consequently, firms with stronger governance structures are more likely to manage technological transitions effectively and achieve superior organizational performance (Ashrafuzzaman Hera et al., 2024; Latupeirissa et al., 2024; Lee et al., 2024).

Previous studies have consistently demonstrated the relationship between corporate governance and firm performance across different sectors and countries. Research conducted by Tandiawan et al. (2025) revealed that firms implementing stronger shareholder rights and governance practices tend to generate higher corporate value and financial performance. Similarly, Suzan & Ardiansyah (2006) found that governance quality positively affects profitability, operational efficiency, and market valuation. In developing economies, Xuan & Loang (2023) emphasized that effective governance systems contribute significantly to investor confidence, business sustainability, and economic development. These findings indicate that governance mechanisms such as board independence, ownership structure, audit committees, and managerial accountability play important roles in improving firm performance.

In the context of digital businesses, the importance of corporate governance has become even more prominent due to the increasing integration of AI technologies into strategic and operational processes. AI technologies enable e-commerce companies to analyze consumer behavior, automate logistics systems, optimize pricing strategies, and predict market trends more accurately. Nevertheless, the adoption of AI also creates governance-related challenges, including algorithmic bias, data privacy issues, lack of transparency, and ethical dilemmas. Studies by Habbal et al. (2024) and Raisch and Krakowski (2021) highlighted that organizations implementing AI without adequate governance frameworks may face operational inefficiencies, reputational risks, and reduced stakeholder trust. Therefore, governance quality is not only relevant to financial accountability but also to technological governance and digital transformation management (Gunasilan, 2024; Maheshwari et al., 2025; Alonge et al., 2024).

Empirical evidence regarding governance and firm performance in e-commerce industries remains relatively limited, particularly in emerging economies such as the Philippines. Most prior studies have focused on traditional sectors including banking, manufacturing, and public corporations. For example, Sepulveda-Nuñez et al. (2025) investigated the impact of governance on financial performance in manufacturing firms, while Husnah et al. (2023) analyzed governance-performance relationships in publicly listed companies. Although these studies provide important theoretical foundations, their findings may not fully explain governance dynamics in

AI-driven e-commerce companies characterized by rapid innovation, intangible assets, platform-based operations, and digital ecosystems.

Existing research on AI adoption in e-commerce tends to focus primarily on technological efficiency, consumer satisfaction, or digital marketing performance rather than organizational governance. Studies conducted by Subhashree (2023) emphasized the strategic role of AI in enhancing digital transformation and customer engagement, while Spring et al. (2021) examined how AI reshapes service management and operational capabilities. However, limited attention has been given to how governance mechanisms influence organizational performance in AI-intensive environments. This indicates the existence of a significant research gap at the intersection of corporate governance, AI adoption, and e-commerce performance.

The Philippine e-commerce industry provides a highly relevant context for investigating this issue. As one of the fastest-growing digital markets in Southeast Asia, the Philippines has witnessed increasing investments in digital platforms, fintech integration, and AI-based business solutions. Major e-commerce firms are utilizing AI technologies for recommendation systems, fraud detection, inventory management, and predictive analytics. Nevertheless, the rapid pace of digitalization has not always been accompanied by governance readiness. Issues related to weak regulatory compliance, cybersecurity threats, lack of board technological expertise, and inadequate risk management remain prevalent among digital firms. Consequently, understanding how corporate governance affects the performance of e-commerce companies in the AI era becomes both theoretically and practically important.

From a theoretical perspective, this study contributes to the development of agency theory and resource-based theory in digital business contexts. While agency theory emphasizes monitoring and control mechanisms, resource-based theory suggests that governance quality can become a strategic organizational capability supporting innovation and competitive advantage. In AI-driven environments, governance structures may influence how firms allocate technological resources, manage digital risks, and integrate AI into organizational strategies. Therefore, examining governance-performance relationships within e-commerce companies can provide a more comprehensive understanding of governance relevance in modern digital economies.

This study also addresses several limitations identified in previous literature. First, prior studies predominantly examine governance effects in conventional industries rather than digital platform businesses. Second, empirical research focusing specifically on e-commerce companies in Southeast Asia remains scarce. Third, limited studies incorporate the AI context as a moderating dimension influencing organizational governance and performance relationships. By focusing on e-commerce companies in the Philippines during the AI era, this research offers a contextualized and contemporary perspective that differs from previous governance studies. The integration of AI as a contemporary business environment represents an important novelty because technological transformation significantly alters governance requirements, strategic decision-making, and organizational competitiveness.

In practical terms, the findings of this study are expected to provide insights for corporate managers, investors, policymakers, and digital business stakeholders. Effective governance mechanisms may help e-commerce firms improve strategic adaptability, operational efficiency, technological accountability, and organizational sustainability. Policymakers can also utilize the findings to strengthen governance regulations and digital business frameworks supporting sustainable economic growth in the Philippines. Moreover, the study may encourage companies to develop

governance systems capable of addressing AI-related challenges such as ethical AI implementation, data governance, and cybersecurity management.

Based on the discussion above, this study aims to analyze the influence of corporate governance on the performance of e-commerce companies in the Philippines in the era of Artificial Intelligence. Specifically, the study seeks to examine how governance mechanisms contribute to organizational effectiveness and competitiveness within AI-driven digital business environments. The novelty of this research lies in the integration of corporate governance and AI perspectives within the context of Philippine e-commerce companies, an area that remains underexplored in previous literature. Consequently, this study contributes theoretically to governance and digital transformation literature while also providing practical implications for strengthening governance quality and organizational performance in emerging digital economies.

METHODS

Research Design

This study employed a quantitative research approach using an explanatory research design to examine the influence of corporate governance on the performance of e-commerce companies in the Philippines in the era of Artificial Intelligence (AI). Quantitative research was considered appropriate because the study aimed to measure the relationship between governance mechanisms and organizational performance systematically and objectively through statistical analysis. According to Thomas and Zubkov (2023), explanatory quantitative designs are effective for identifying causal relationships among variables and testing theoretical assumptions. The study adopted a cross-sectional approach in which data were collected at a single point in time to capture the current governance practices and performance conditions of e-commerce firms operating within AI-driven business environments.

Research Context and Location

The research was conducted in the Philippines, one of the fastest-growing digital economies in Southeast Asia. The Philippine e-commerce sector has experienced significant expansion due to increasing internet penetration, digital payment adoption, and AI integration within business operations. The study focused on medium and large-scale e-commerce companies operating in major business centers such as Manila, Cebu, and Davao. These companies actively utilize AI technologies for customer analytics, recommendation systems, inventory management, and digital marketing optimization. The Philippine context was selected because the country represents an emerging digital market where corporate governance challenges and technological transformation coexist simultaneously.

Population and Sample

The population of this study consisted of managers, supervisors, and executives working in e-commerce companies in the Philippines. These respondents were selected because they possess adequate knowledge regarding organizational governance structures, AI implementation, and company performance. The sampling technique used was purposive sampling, which allows researchers to select respondents based on specific criteria relevant to the research objectives. The criteria included employees occupying managerial positions and having at least two years of experience in the e-commerce sector.

A total of 250 questionnaires were distributed electronically to respondents from various e-commerce companies. After the data screening process, 212 valid responses were obtained and analyzed. This sample size was considered sufficient

for multivariate statistical analysis and met the minimum requirements for Structural Equation Modeling (SEM) analysis as recommended.

Data Collection Technique

Primary data were collected using a structured questionnaire distributed through online survey platforms. The use of online questionnaires was considered effective and efficient due to the digital orientation of the target respondents. The questionnaire consisted of three main sections: respondent demographic information, corporate governance indicators, and organizational performance indicators. Corporate governance was measured using dimensions such as board effectiveness, transparency, accountability, risk management, and stakeholder protection adapted from previous governance studies. Meanwhile, company performance was measured using indicators related to operational efficiency, financial growth, innovation capability, and competitive advantage. All questionnaire items were measured using a five-point Likert scale ranging from 1 (“strongly disagree”) to 5 (“strongly agree”). Before the main survey was conducted, a pilot test involving 30 respondents was carried out to ensure the clarity, relevance, and comprehensibility of the questionnaire items.

Data Analysis Technique

The collected data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with the assistance of SmartPLS software. SEM-PLS was selected because it is suitable for predictive research models and capable of analyzing complex relationships among latent variables. The analysis process included two stages: measurement model evaluation and structural model evaluation.

The measurement model assessment focused on validity and reliability testing through factor loading, Average Variance Extracted (AVE), Composite Reliability (CR), and Cronbach’s Alpha values. Indicators with factor loadings above 0.70 and AVE values exceeding 0.50 were considered valid. Reliability was confirmed when Composite Reliability and Cronbach’s Alpha values exceeded 0.70. The structural model evaluation involved testing path coefficients, coefficient of determination (R^2), predictive relevance (Q^2), and hypothesis significance using bootstrapping procedures.

Validity and Reliability

To ensure research quality, validity and reliability testing were conducted comprehensively. Content validity was established through expert review involving academics and practitioners specializing in corporate governance and digital business management. Construct validity was assessed using convergent and discriminant validity measures. Reliability testing demonstrated consistent internal measurement results, indicated by satisfactory Cronbach’s Alpha and Composite Reliability values.

Furthermore, common method bias was minimized by ensuring respondent anonymity and varying the arrangement of questionnaire items. The methodological framework used in this study is illustrated in Figure 1.

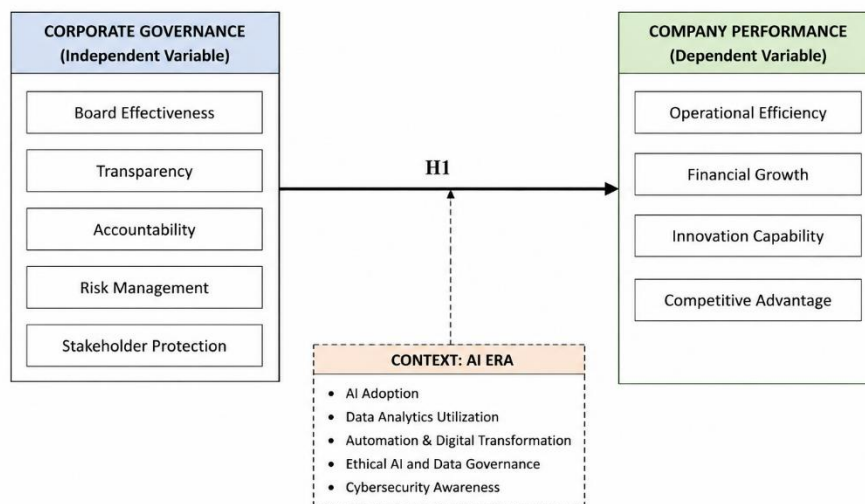


Figure 1. Research Framework of Corporate Governance and E-Commerce Company Performance in the AI Era

Source: Developed by the Authors, 2026

Figure 1 illustrates the conceptual relationship between corporate governance and company performance in e-commerce companies in the AI era. The framework proposes that effective governance practices, including transparency, accountability, and risk management, positively contribute to organizational performance and competitiveness.

RESULTS AND DISCUSSION

This section presents the empirical findings of the study regarding the influence of corporate governance on the performance of e-commerce companies in the Philippines in the era of Artificial Intelligence (AI). The analysis was conducted systematically using Structural Equation Modeling-Partial Least Squares (SEM-PLS). The discussion begins with respondent demographic characteristics, followed by descriptive statistics, measurement model evaluation, structural model analysis, and hypothesis testing. The purpose of this sequence is to ensure that the validity and reliability of the research instruments are confirmed before examining the relationships among variables. Furthermore, the findings are presented analytically to explain how corporate governance contributes to organizational performance within AI-driven e-commerce environments.

Respondent Characteristics

The respondents in this study consisted of managers, supervisors, executives, and operational leaders working in e-commerce companies across the Philippines. A total of 212 valid responses were analyzed after the data screening process. Respondent characteristics were categorized based on gender, age, educational background, work experience, and organizational position.

Table 1. Respondent Demographic Characteristics

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	118	55.7
	Female	94	44.3
Age	21–30 Years	72	34.0
	31–40 Years	96	45.3
	Above 40 Years	44	20.7
Education	Bachelor's Degree	128	60.4
	Master's Degree	71	33.5

	Doctoral Degree	13	6.1
Work Experience	2–5 Years	83	39.2
	6–10 Years	91	42.9
	Above 10 Years	38	17.9
Position	Supervisor	76	35.8
	Manager	98	46.2
	Executive	38	17.9

Source: Research Data Processed by Authors, 2026

Table 1 indicates that the majority of respondents were managers and supervisors with considerable experience in the e-commerce sector. Most respondents were between 31 and 40 years old, suggesting that the participants possessed professional maturity and organizational understanding relevant to governance practices and AI implementation. Additionally, the relatively high educational background of respondents strengthened the credibility of the collected data because participants were assumed to have sufficient knowledge regarding strategic organizational issues.

Descriptive Statistics Analysis

Descriptive statistical analysis was conducted to examine the overall distribution of responses related to corporate governance and company performance variables. The analysis included mean values and standard deviations for each construct.

Table 2. Descriptive Statistics Results

Variable	Mean	Standard Deviation
Corporate Governance	4.118	0.624
Company Performance	4.063	0.598

Source: Research Data Processed by Authors, 2026

The results in Table 2 show that both variables obtained relatively high mean scores above 4.00, indicating that respondents generally perceived governance implementation and organizational performance positively. Corporate governance recorded the highest mean value, suggesting that most e-commerce companies in the Philippines have implemented governance mechanisms such as transparency, accountability, strategic monitoring, and risk management effectively. Furthermore, the relatively low standard deviation values indicate that respondent perceptions were relatively homogeneous.

The descriptive findings also imply that AI integration in e-commerce operations has encouraged companies to strengthen governance structures to maintain operational effectiveness and organizational competitiveness. This condition demonstrates that governance quality is increasingly recognized as an important strategic factor in digital business environments.

Measurement Model Evaluation

Before testing the structural relationships among variables, the measurement model was evaluated to ensure the validity and reliability of all indicators. The evaluation included convergent validity, discriminant validity, and reliability analysis.

Convergent Validity

Convergent validity was assessed using factor loading values and Average Variance Extracted (AVE). Indicators with factor loadings above 0.70 and AVE values above 0.50 were considered valid.

Table 3. Convergent Validity Results

Variable	AVE
Corporate Governance	0.711
Company Performance	0.695

Source: Research Data Processed by Authors, 2026

Table 3 demonstrates that all AVE values exceeded the recommended threshold of 0.50, confirming satisfactory convergent validity. This finding indicates that the indicators used in this study successfully explained the latent constructs they represented. Moreover, all factor loading values ranged between 0.734 and 0.892, indicating strong indicator reliability.

Reliability Analysis

Reliability testing was conducted using Cronbach's Alpha and Composite Reliability values.

Table 4. Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability
Corporate Governance	0.931	0.942
Company Performance	0.918	0.934

Source: Research Data Processed by Authors, 2026

The reliability results presented in Table 4 show that all variables achieved Cronbach's Alpha and Composite Reliability values above 0.70. These findings confirm that the research instruments possessed strong internal consistency and measurement reliability. Therefore, the indicators used in this study were considered appropriate for further structural analysis.

Discriminant Validity

Discriminant validity was assessed using the Fornell-Larcker Criterion. The square root of AVE for each construct exceeded the correlations between constructs, indicating that each variable was empirically distinct from other variables in the model. The discriminant validity findings demonstrate that corporate governance and company performance represented separate conceptual constructs. Consequently, the measurement model satisfied the required validity standards for SEM-PLS analysis.

Structural Model Evaluation

After confirming the adequacy of the measurement model, the structural model was evaluated to analyze the relationship between corporate governance and company performance.

Coefficient of Determination (R^2)

The coefficient of determination (R^2) was used to measure the predictive power of the independent variable on the dependent variable.

Table 5. Coefficient of Determination Results

Dependent Variable	R^2
Company Performance	0.648

Source: Research Data Processed by Authors, 2026

Table 5 shows that the R^2 value for company performance was 0.648. This result indicates that corporate governance explained approximately 64.8% of the variance in e-commerce company performance. According to Hair et al. (2019), this value can

be categorized as substantial predictive capability. The findings imply that governance mechanisms significantly contribute to organizational effectiveness, operational efficiency, and strategic competitiveness in AI-driven business environments. The remaining 35.2% of variance may be explained by other factors not included in this study, such as organizational culture, technological capability, innovation orientation, market competition, and external economic conditions.

Predictive Relevance (Q²)

The predictive relevance analysis was conducted using the blindfolding procedure.

Table 6. Predictive Relevance Results

Variable	Q²
Company Performance	0.417

Source: Research Data Processed by Authors, 2026

The Q² value exceeded zero, indicating that the research model possessed satisfactory predictive relevance. This finding confirms that the model had adequate capability to predict company performance based on governance-related variables.

Hypothesis Testing

Hypothesis testing was conducted using the bootstrapping procedure in SEM-PLS to examine the significance of the relationship between corporate governance and company performance.

Table 7. Hypothesis Testing Results

Hypothesis	Relationship	Path Coefficient	T-Statistic	P-Value	Decision
H1	Corporate Governance → Company Performance	0.805	18.462	0.000	Supported

Source: Research Data Processed by Authors, 2026

The results presented in Table 7 indicate that corporate governance had a positive and significant influence on company performance. The path coefficient value of 0.805 demonstrates a strong positive relationship between the two variables. Furthermore, the T-statistic value of 18.462 exceeded the critical threshold of 1.96, while the P-value was below 0.05, confirming the statistical significance of the relationship.

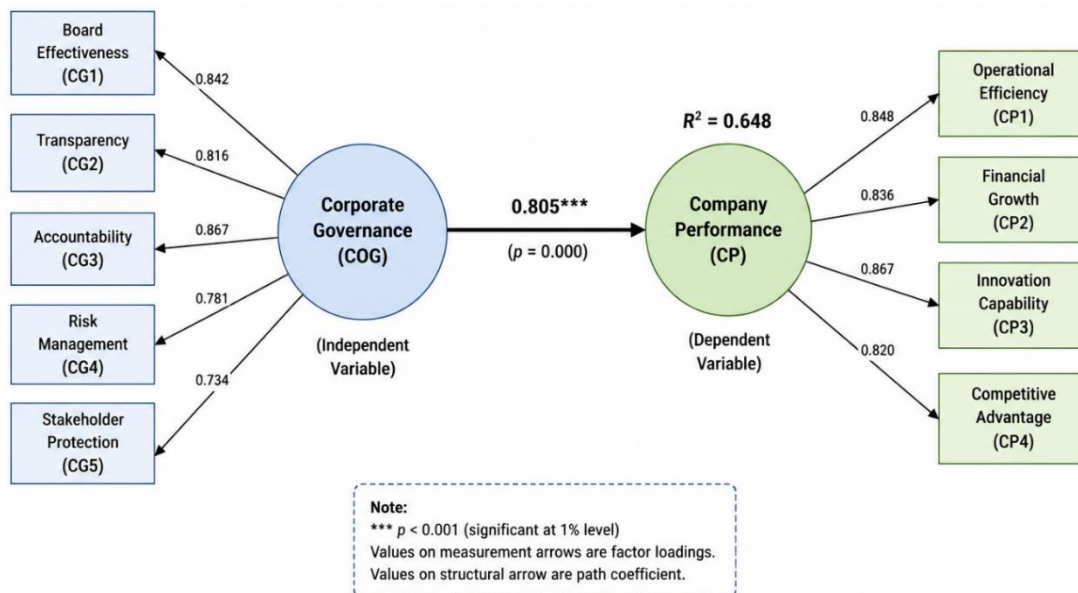


Figure 2. Structural Model Results of Corporate Governance and Company Performance

Source: Research Data Processed by Authors, 2026

Figure 2 shows the structural relationship between corporate governance and company performance in e-commerce companies in the Philippines. The results indicate that corporate governance has a positive and significant effect on company performance in the AI era.

These findings suggest that stronger governance practices contribute substantially to the improved performance of e-commerce companies operating in the AI era. Companies implementing transparent governance structures, effective board supervision, accountability systems, and strategic risk management tend to achieve better operational and organizational outcomes.

The strong relationship identified in this study reflects the strategic role of governance in supporting technological adaptation and organizational resilience. In AI-driven environments, governance mechanisms help organizations manage technological risks, ensure ethical decision-making, and improve strategic alignment between digital innovation and corporate objectives. As AI technologies increasingly influence business operations, governance quality becomes a critical determinant of organizational sustainability and competitiveness. The findings also indicate that governance practices are no longer limited to traditional monitoring functions but have evolved into strategic capabilities enabling organizations to navigate digital transformation effectively. E-commerce firms with strong governance structures are more capable of utilizing AI technologies responsibly while maintaining stakeholder trust and operational efficiency.

Corporate Governance as a Strategic Capability for Enhancing E-Commerce Performance in the AI Era

The findings demonstrate that corporate governance exerts a strong positive influence on the performance of e-commerce companies operating in the Philippine digital economy. The substantial path coefficient indicates that governance mechanisms, including board effectiveness, transparency, accountability, risk management, and stakeholder protection, function not merely as monitoring instruments but as strategic organizational capabilities that enhance firm performance in technology-intensive environments. This finding reinforces the proposition of agency theory that effective governance reduces information

asymmetry and managerial opportunism while improving organizational outcomes. Simultaneously, the results extend the resource-based view by suggesting that governance quality constitutes an intangible organizational resource capable of generating sustainable competitive advantage in AI-enabled business ecosystems.

The positive relationship identified in this study is consistent with recent evidence indicating that governance quality remains a critical determinant of organizational performance amid digital transformation. Research by Stanikzai & Mittal (2025), Talab & Flayyih (2023), and Suwarno et al. (2023) emphasized that organizations with stronger governance structures are more successful in aligning technological investments with strategic objectives, thereby achieving superior operational and financial outcomes. Similarly, Nadji & Belfatmi (2025) found that governance mechanisms facilitate effective utilization of digital technologies by ensuring strategic coordination, accountability, and resource allocation. The present study confirms these arguments within the context of Philippine e-commerce firms, demonstrating that governance effectiveness remains highly relevant despite the increasing automation of business processes through artificial intelligence.

A particularly noteworthy finding is the significant contribution of governance to organizational performance within AI-driven environments. While previous studies have largely focused on the technological benefits of AI adoption, such as enhanced customer experiences, predictive analytics, and operational automation (Anozie et al., 2024; Akter et al., 2025), this study highlights the organizational conditions that enable these technological benefits to translate into superior performance outcomes. The result supports the argument of Heredia et al. (2022) and Olan et al (2022) that technological capability alone is insufficient to ensure organizational success. Rather, firms require governance frameworks capable of managing ethical concerns, cybersecurity risks, algorithmic transparency, and data governance challenges associated with AI deployment.

The findings also align with recent studies emphasizing the strategic role of board oversight and accountability in digital organizations. According to Ingale (2024) and Chinnadurai (2023), boards with stronger governance competencies are better positioned to guide digital transformation initiatives and mitigate uncertainties associated with emerging technologies. The present study demonstrates that e-commerce firms implementing transparent governance systems and robust risk-management practices achieve higher levels of operational efficiency, innovation capability, and competitive advantage. This suggests that governance structures provide strategic direction and organizational stability during periods of rapid technological change.

From a theoretical perspective, this research contributes to the growing literature at the intersection of corporate governance, artificial intelligence, and digital transformation. Existing governance studies predominantly examine traditional industries such as banking, manufacturing, and publicly listed corporations. Consequently, limited attention has been given to platform-based digital businesses characterized by data-driven decision making, algorithmic management, and rapid innovation cycles. The novelty of this study lies in integrating governance and AI perspectives within the e-commerce sector of an emerging economy. By doing so, the study expands agency theory beyond conventional monitoring functions and demonstrates that governance increasingly serves as a strategic capability enabling organizations to manage technological complexity and digital innovation.

The applications are also important. The findings suggest that AI investments ought to go hand-in-hand with investments in governance quality for managers. To ensure AI positively contributes to their organizations' performance, AI adopting organizations need to create clear decision-making protocols, boost the board's

oversight, create comprehensive risk-management systems, and create ethical guidelines for the use of AI. The results underscore the importance of responsive measures, such as regulatory policies that foster responsible AI governance, cybersecurity readiness, and protection for stakeholders, in fast-growing digital markets for policymakers. They are key to maintaining the trust and competitiveness of the digital economy.

Several drawbacks should be noted, however, despite its contributions. Firstly, the study used a cross-sectional design, which does not allow for the analysis of governance and performance dynamics over time. Second, the study exclusively studied e-commerce firms in the Philippines, which may limit the applicability of the results to other countries. Third, the model only tested direct effects of corporate governance on organizational performance, and did not include any mediators or moderators, such as digital capability, innovation orientation, organizational culture or AI maturity.

Longitudinal studies should thus be used in future to examine the development of governance mechanisms over time, as technology transforms. Further comparative analysis among countries in Southeast Asia can also offer general knowledge about governance–performance linkage in new digital economies. Further, future scholars might investigate the role of AI capability, digital innovation, organizational resilience, or technological readiness as a mediator to gain a more holistic insight into the role of governance in creating sustainable competitive advantage in digitally transformed organizations. These explorations would also contribute to the theoretical evolution and offer more insights for enterprises working in the growing complexity of AI-enabled business landscapes.

CONCLUSION

This study looks at the effect of corporate governance on the performance of e-commerce firms in the Philippines during the age of Artificial Intelligence (AI). The results indicated that corporate governance positively and significantly impacts company performance, highlighting the importance of proper corporate governance in enhancing the efficiency, innovation, financial growth, and competitive advantage of a company in the context of an AI-driven business environment. The findings also validated the dimensions of governance, including transparency, accountability, board effectiveness, risk management and stakeholder protection, as strategic to foster digital transformation and organizational sustainability. This study is theoretically useful for the development of the literature on corporate governance and digital business by incorporating the AI context in the governance-performance relationship. The results align with agency theory and resource-based theory, especially in regard to governance as a monitoring tool, and as a strategic organizational capability in digital economies. In the practical terms, the study offers guidance on issues of the governance strength of technological risks and enhancing competitiveness for managers and policy makers.

Although this study has made contributions, it is subject to certain limitations: It is conducted on companies that are e-business companies in the Philippines and it is a cross-sectional study. Longitudinal studies are recommended to explore other factors (Digital innovation, organizational culture, technological capability) in a wider regional setting.

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