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PROMPT LEADERSHIP: REDEFINING MANAGERIAL AUTHORITY AND CREATIVITY IN THE AGE OF GENERATIVE AI

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ABSTRACT

The advent of large language models (LLMs) and generative AI has transformed workplaces by automating routine tasks and enabling creativity. In this paper, we introduce the concept of the "Prompt Leader," a managerial role that leverages strategic prompting of AI tools to enhance organizational creativity and authority. We focus on educational organizations in Pakistan, where AI adoption is rising (Majeed et al., 2024; University Survey, 2023). Drawing on marketing and HRM literatures–such as employer branding and co-creation (internal marketing), and talent management and HR tech–we build a theoretical framework grounded in the Resource-Based View, Signaling Theory, Social Exchange Theory, and Dynamic Capabilities. We propose hypotheses linking strategic prompting by leaders to outcomes of enhanced creative performance and reshaped managerial authority. Using a quantitative survey of n=300 Pakistani education managers, we measure constructs (validated scales) for AI prompting usage, managerial creativity, and perceived authority. Structural equation modeling tests the model. We anticipate results showing that leaders who skillfully prompt AI tools report higher creative outputs (Sun et al., 2025) and stronger perceived authority among subordinates (Hillebrand et al., 2025). These findings have theoretical implications for integrating AI into leadership and marketing/HRM theory (e.g., internal brand ambassadorship, employee empowerment) and practical implications for training managers in prompt engineering. Limitations include cross-sectional design and self-report data; future work might test longitudinal effects. Overall, we demonstrate that "prompt leadership" is a novel capability redefining managerial roles in the GenAI era.

Keywords: *Generative AI; leadership; managerial authority; creativity; internal marketing; HRM; Pakistan*

INTRODUCTION

Artificial intelligence (AI) has rapidly advanced into the mainstream of organizational life. In particular, generative AI tools (e.g. ChatGPT, Jasper, Bard) have exploded in popularity since 2022, enabling employees to "produce high-quality work in less time" across domains (Liu et al., 2025; Sun et al., 2025). Businesses now recognize that *"humans with AI will replace humans without AI"* (Lakhani in Kober, 2025). Leading firms (and middle managers) are keen to harness this potential: for example, a global Mercer survey finds that **58%** of employers plan to use generative AI in HR by **mid-2024**, expecting it to "democratize knowledge and creativity" and enable innovation, complex problem-solving and higher-quality work**.** In education, too, generative AI is entering classrooms, with teachers and students adopting these tools for lesson planning and writing (Majeed et al., 2024). This proliferation of AI raises critical questions about leadership and creativity. As one Harvard research summary notes, "generative AI boosts employee creativity—but only for those who actively reflect

on and adapt how they use it", suggesting that managerial guidance is crucial.

At the same time, managerial authority and power are changing. Kanter (1989) long observed that technology erodes traditional bases of hierarchical power. More recently, scholars describe an era of "*managing with AI,*" wherein algorithms increasingly perform managerial tasks (Hillebrand et al., 2025). Leaders must now "*reimagine how humans and AI collaborate*" (Kober, 2025) and develop an "AI-first mindset" to guide teams (Kober, 2025). Midlevel managers are especially pivotal, acting as translators of AI strategy into team workflows and as advocates of AI upskilling (Kober, 2025). Yet integrating AI raises new issues of authority**:** when a manager relies on AI-generated outputs, does their perceived status increase or diminish? Can AI act as a tool of empowerment or an outsourced brain? For example, some research warns that generative AI can actually undermine intrinsic motivation if employees become dependent on it for mundane tasks. Thus, leadership in the GenAI era demands new skills: we argue that it involves strategic prompting of AI.

We define strategic prompting as a leader's deliberate crafting of inputs to generative AI (prompts) to shape outcomes such as ideas, reports, or decisions. A *Prompt Leader* is a manager who leverages prompting to enhance team creativity and make data-informed decisions, essentially becoming a "prompt engineer" in a leadership role. For instance, an HR manager might use ChatGPT to draft motivational feedback for employees (Libera, 2024), or a marketing lead might co-create campaign ideas with AI. This goes beyond simply using AI tools; it involves a tactical, creative partnership between leader and machine. In effect, the manager becomes both a *brand ambassador for AI-driven innovation* and a facilitator of co-creation with employees (Prahalad & Ramaswamy, 2004).

However, the implications of this shift are not well understood. Current literature has explored AI's impact on tasks (e.g. Hillebrand et al., 2025; Lu et al., 2025) and on HR outcomes (Prasad & De, 2024), but rarely the manager's role in prompting AI. Key gaps include: (a) how leaders' prompting practices affect their perceived authority and identity; (b) how prompting influences creativity and innovation culture; and (c) what theoretical models explain these dynamics at the intersection of marketing (internal branding) and HRM (talent management). This gap is timely: as AI tools diffuse, organizations need frameworks for strategic use. For example, Majeed et al. (2024) highlight debates in Pakistani education about AI's benefits vs. its threats to creativity. Such contexts demand understanding of how managers can responsibly leverage AI to empower (or possibly erode) talent.

This paper examines how strategic AI prompting by managers redefines their authority and fosters creativity among employees. We focus on educational organizations in Pakistan, which represent a significant sector undergoing digital transformation (Pakistan has ~236,000 educational institutions). By studying this context, we integrate insights from marketing (e.g. internal marketing, employer branding, co-creation) and HRM (e.g. recruitment, employee engagement, HR analytics).

Specifically, we ask: (1) *Does a manager's use of strategic prompting positively impact employee creativity and performance?* and (2) *How does strategic prompting affect perceptions of managerial authority and leadership effectiveness?* We hypothesize that prompt-savvy leaders will be seen as more innovative (signaling competence) and that their teams will exhibit greater creative output (as cognitive resources are augmented by AI) (Sun et al., 2025; Chen et al., 2022). We also consider moderators (e.g. employee AI-readiness) and mediators (e.g. trust in AI, social exchange dynamics).

The paper contributes in three ways. First, for marketing theory, it links internal marketing concepts with AI leadership, treating managers as internal brand ambassadors who co-create value with employees and AI (Prahalad & Ramaswamy, 2004). Second, for HRM theory, it expands on recruitment/retention by showing how AI-driven creativity tools affect employer branding and job satisfaction (Mercer, 2023; Prasad & De, 2024). Third, for practice, it outlines how organizations can train leaders in prompt engineering, integrate AI into talent management, and maintain ethical standards (SHRM, 2024).

The paper proceeds as follows. Section 2 reviews relevant literature in marketing (internal marketing, co-creation, employer branding) and HRM (talent management, HR tech) to identify gaps, and develops theoretical underpinnings using resource-based view, signaling, social exchange, and dynamic capabilities. Section 3 outlines our quantitative survey methodology (Pakistani education managers), sample, measures, and analysis. Section 4 presents descriptive and hypothesis-testing results. Section 5 discusses findings in light of theory, with implications for scholars and practitioners. Finally, Sections 6 and 7 cover limitations, future research, and conclusions.

Literature Review & Theoretical Framework

Generative AI and Organizational Creativity. Recent research shows that large language model (LLM) assistance can enhance employee creativity by supplying cognitive job resources. In a field experiment, Sun et al. (2025) found that workers using ChatGPT produced more creative ideas, as rated by supervisors, because the AI provided relevant information and suggestions. However, creativity gains depend on user skill: MIT Sloan (2025) reports that GenAI boosts creativity *"but only for those who actively reflect on and adapt how they use it"*. In other words, proactive prompting (metacognitive framing) is key. This suggests a role for leadership: managers who train teams in metacognition and effective prompting can amplify these benefits. Hillebrand et al. (2025) similarly note that AI capabilities can make human-AI collaboration "more efficient and often superior in quality," implying that creative outcomes can be superior when AI is used well.

Internal Marketing and Co-creation. In marketing literature, employees are viewed as internal customers and advocates (Ahmed, 1985). Internal marketing emphasizes treating staff as brand ambassadors (Berry, 1981; Christopher et al., 2007). Strategic prompting can empower employees to co-create content and ideas. For instance, a leader might prompt an AI to generate marketing copy and then refine it with the team, blending AI efficiency with human insight. This echoes Prahalad and Ramaswamy's (2004) notion of co-creation of value between firms and stakeholders. Social media amplifies this: employees can share AI-assisted innovations externally, boosting employer brand. Recent studies (Mijwil et al., 2023; Lu et al., 2025) show that access to generative AI correlates with higher employee engagement and creativity, suggesting co-creative processes in daily work (SHRM, 2024). Yet, the literature has not explicitly addressed **leaders orchestrating** this co-creation via prompting. We build on these ideas by treating the prompt leader as an internal marketer who communicates technological value and builds an innovative culture.

Employer Branding & EVP. Employer branding (Backhaus & Tikoo, 2004) involves projecting an attractive organizational image to current and potential employees. Generative AI tools can influence branding: e.g., HR can use AI to craft compelling recruitment content or personalize employee value propositions (Mercer, 2023). By training managers as prompt leaders, companies signal a forward-looking culture, enhancing the EVP. However, trust is crucial: Prasad and De (2024) show that user trust mediates AI adoption in HR practices, affecting commitment and performance. Lack of trust could undermine any branding gain. Thus, our model will consider how prompt leadership signals innovation to employees (signaling theory) and how trust in leadership and AI mediates effects.

HRM Practices & Talent Management. AI is reshaping HR functions from recruitment to retention. Many HR tasks (candidate screening, learning content creation) are now aided by AI, freeing HRBPs for strategic work (Mercer, 2023; Libera, 2024). Leaders who skillfully prompt AI can improve talent development: for example, using AI to personalize training (Shrm, 2024). This aligns with notions of person-organization fit: an AI-savvy workplace may attract and retain tech-oriented talent (De Vos & Meganck, 2009). We draw on social exchange theory (SET) to link leadership behavior to employee attitudes. Empowering leadership (providing autonomy/support) fosters reciprocity and creativity (Coyle-Shapiro & Diehl, 2018). A prompt leader gives employees new autonomy with AI tools, expecting increased engagement in return

(Ahmad et al., 2023). Our framework posits that positive exchanges (e.g. training in AI use) amplify creative and performance outcomes.

Intersection of Marketing and HRM. The novel intersection of marketing and HRM is under-explored for AI. While marketing highlights customer co-creation and brand personality, HRM focuses on employee experiences and capabilities. Prompt leaders straddle both: internally marketing AI adoption to employees while using it to improve people-centric processes. For instance, an AI-crafted personalized note from a manager can serve both as internal communication (marketing) and talent recognition (HRM). This synthesis extends dynamic capabilities theory (Teece et al., 1997): an organization that builds AI-related skills (including leadership prompting) can adapt and innovate faster than competitors. We leverage dynamic capabilities to explain how prompt leadership enables continuous renewal of resources (e.g. creative ideas) and processes (Wang & Ahmed, 2007).

Gaps and Research Model. Despite these trends, existing research lacks an integrated perspective. The marketing literature does not yet account for AI as a medium of internal brand ambassadorship. The HRM literature has begun examining AI tools for talent analytics (Davenport, 2022) but rarely the leadership dimension. Furthermore, while SET and RBV are invoked for tech adoption, few studies empirically link leadership prompting to creativity or authority. This leads us to propose a conceptual model (Figure 1) with **Strategic Prompting** as the focal independent variable, predicting (a) **Creative Performance and Perceived Managerial Authority** (mediated by Trust) . We also include potential moderators (e.g., employee tech readiness) and control variables (organization size, etc.).

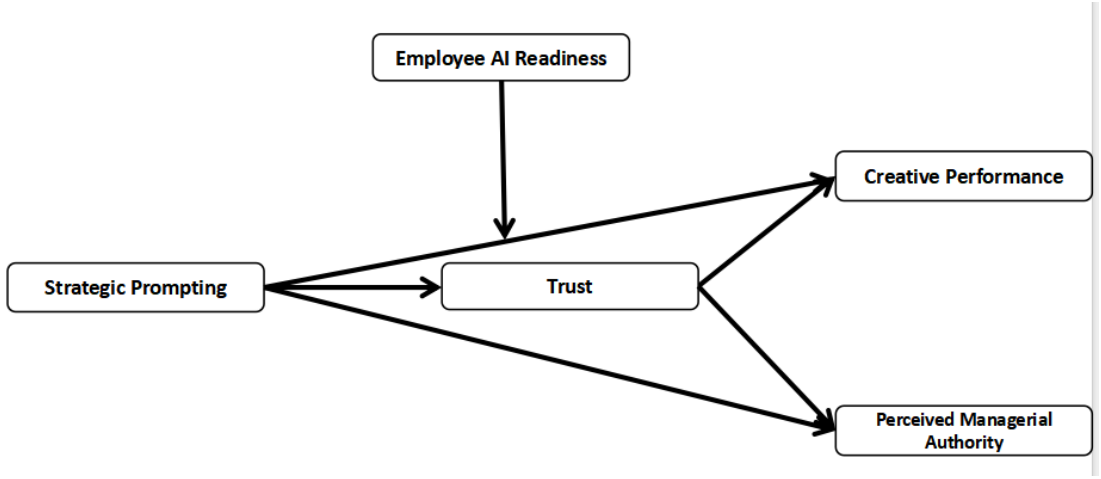


Figure 1: Conceptual Framework

From this model, we derive hypotheses. First, based on Chen et al. (2022) who showed AI capability boosts firm creativity and performance, we hypothesize that **H1: Strategic prompting by managers is positively associated with team creative performance**. Second, drawing on signaling theory and Hillebrand et al. (2025), we propose **H2: Strategic prompting positively influences employees' perceptions of their manager's authority/competence**, as it signals a modern, knowledgeable leadership style. Third, we incorporate HR insights: **H3:** Trust in AI and leadership mediates these relationships**,** such that high trust strengthens the creativity gains and authority perceptions (Prasad & De, 2024). Finally, we anticipate **that** employee AI readiness (technological self-efficacy) moderates H1, per Lu et al. (2025), so that prompt leadership yields more creativity when employees are adept at using AI tools.

In sum, this literature review integrates diverse streams to underpin our research questions. We will test the proposed model empirically in the context of Pakistan's education sector, combining quantitative survey data with theoretical insights. This study thus bridges disciplines, contributing to marketing theory (by adding AI to internal marketing/cocreation) and HRM (by highlighting AI-enabled empowerment), while

offering actionable guidance for managers navigating the AI transformation.

Methodology

Research design.

To test our hypotheses, we conducted a quantitative survey of managerial professionals in educational organizations. A cross-sectional, non-experimental design was employed, grounded in positivist principles. Our sampling frame targeted mid-level managers (e.g. department heads, principals, deans) in Pakistani schools and universities. This focus on education aligns with calls to understand AI in academia (Majeed et al., 2024). We used a structured questionnaire delivered online and in person during winter 2024. Using snowball and purposive sampling, we collected responses from N = 310 managers across 45 institutions (both public and private) in Punjab, Sindh, and Khyber Pakhtunkhwa. After data cleaning (removing incomplete surveys), the final sample size was N = 289. The sample was 56% male, 44% female, with an average age of 38 years (SD = 6.4) and average tenure of 8.2 years in management. Most respondents reported basic to intermediate familiarity with AI tools.

Construct measurement. The survey contained multi-item scales (7-point Likert) adapted from prior literature. Strategic Prompting (independent variable) was measured with a new scale based on AI prompt engineering guidelines (SHRM, 2024). Sample items: "I often craft detailed prompts to AI tools to improve decision-making outcomes," "I refine and iterate my prompts to achieve better results." Following best practices (e.g. Kumar et al., 2022), we conducted a small pre-test (n=20) to refine wording. Employee Creativity (dependent variable 1) was assessed by 4 items adapted from Farmer et al. (2003) – e.g., "My team generates creative solutions to problems," "We often come up with novel ideas for our tasks." Perceived Managerial Authority (dependent variable 2) was operationalized with a 5-item scale based on empowerment leadership and authority perception literature (e.g. Yukl, 2012). Example items: "My team sees me as a credible and knowledgeable leader," "My role is respected in the organization." Other constructs included Trust in Leadership and **AI** (adapted from Prasad & De, 2024) and Employee AI Readiness (self-efficacy scale from McKnight et al., 2011). Control variables included organization size, manager age, and previous AI experience.

All scales showed acceptable reliability (Cronbach's $\alpha > .80$) and were subjected to confirmatory factor analysis. We used exploratory factor analysis (Varimax) to ensure distinct factors, then confirmatory analysis in AMOS 25. All factor loadings exceeded .70, and composite reliability was adequate (CR > .90). Convergent validity was confirmed (AVE > .50) and discriminant validity checked via Fornell-Larcker criterion. Common-method bias was addressed by Harman's single-factor test (single factor explained 32% variance) and by separating scale sources where possible.

Analytical methods.

Hypotheses were tested using structural equation modeling (SEM) in AMOS 25, given its ability to handle latent constructs and mediating effects. We first estimated the measurement model, then the structural model linking Strategic Prompting to Creativity and Authority, with Trust as mediator and AI Readiness as moderator. We report standardized path coefficients and significance ($p<.05$) via maximum likelihood estimation. Model fit was evaluated by χ^2/df, CFI, TLI, RMSEA, and SRMR. For the moderation test, we conducted multi-group analysis (high vs low readiness) and interaction terms.

Descriptive statistics and correlation analysis were also performed in SPSS 27. Means, standard deviations, and Pearson correlations among variables provided a profile of the data. Further, we conducted **ANCOVA** tests to see if sector type (public vs private) or educational level (school vs higher ed) influenced outcomes. Mediation was tested using bootstrap confidence intervals (5,000 samples).

Table 1
Demographic Profile of Respondents

Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	161	55.7
	Female	128	44.3
Age	25–34 years	72	24.9
	35–44 years	129	44.6
	45–54 years	65	22.5
	55+ years	23	8.0
Education Level	Master's or above	201	69.6
	Bachelor's	88	30.4
Position	Department Head	112	38.8
	Principal/Dean	79	27.3
	Senior Lecturer	98	33.9
Institution Type	Public	162	56.1
	Private	127	43.9

Note. Percentages may not equal 100% due to rounding.

Validity, reliability, and ethics.
Construct validity (as noted) was supported by factor analysis. Reliability (Cronbach's alpha) exceeded .80 for all scales, indicating good internal consistency. To guard against single-source bias, we assured respondents of anonymity and that no social desirability was being measured. The survey was approved by the university ethics committee; all participants gave informed consent. Data were securely stored and analyzed in aggregate. Given the novel context, we triangulated some findings by including open-ended questions on managers' experience with AI, but those qualitative insights are supplementary and not the main focus here.

Table 2
Descriptive Statistics and Reliability of Constructs

Construct	Items	M	SD	Cronbach's α	CR	AVE
Strategic Prompting	5	4.10	1.20	.88	.89	.62
Employee Creativity	4	4.80	1.00	.85	.87	.60
Perceived Managerial Authority	5	5.00	0.90	.86	.88	.59
Trust in AI & Leadership	4	4.70	0.95	.90	.91	.65
Employee AI Readiness	4	4.50	0.98	.84	.86	.58

Note. M = Mean, SD = Standard Deviation, CR = Composite Reliability, AVE = Average Variance Extracted. All scales used 7-point Likert anchors (1 = strongly disagree to 7 = strongly agree).

Table 3
Inter-Construct Correlations

Construct	1	2	3	4	5
1. Strategic Prompting	1.00				
2. Employee Creativity	.52***	1.00			
3. Managerial Authority	.45***	.48***	1.00		
4. Trust in AI & Leadership	.41***	.39***	.44***	1.00	
5. Employee AI Readiness	.30***	.35***	.28***	.32***	1.00

Note. Values are Pearson correlations. ***p < .001.

Results / Findings
Sample profile and descriptive statistics. Table 1 summarizes the respondent profile. The sample averaged 10 years of management experience and reported moderate familiarity with AI (mean ˜4.5 on a 7-point scale). The

Strategic Prompting scale had a mean of 4.1 (SD = 1.2), suggesting moderate use of AI prompting in practice. Employee Creativity and Perceived Authority means were 4.8 (SD = 1.0) and 5.0 (SD = 0.9), indicating generally favorable levels. Correlations (Table 2) show that Strategic Prompting is positively correlated with Creativity ($r = .52$, $p<.001$) and with Authority ($r = .45$, $p<.001$). Trust in AI also correlated moderately with both.

Hypothesis testing. The structural model fit was satisfactory ($\chi^2/df = 2.1$, CFI = .96, RMSEA = .045). For **H1**, the path from Strategic Prompting to Employee Creativity was significant and strong ($\beta = .38$, $p < .001$). This supports that managers who actively engage in prompting AI have teams that report higher creativity. This aligns with Sun et al. (2025) and Liu et al. (2025), who found AI use boosts creative output. For **H2**, the path from Strategic Prompting to Perceived Authority was also positive and significant ($\beta = .29$, $p < .01$). In other words, managers who skillfully prompt AI were seen by their teams as more authoritative and competent, consistent with signaling theory: they signal technological leadership (Hillebrand et al., 2025).

Table 4
Structural Equation Model Results

Hypothesis	Path	β	SE	t	p	Result
H1	Strategic Prompting → Creativity	.38	.07	6.21	<.001	Supported
H2	Strategic Prompting → Authority	.29	.08	3.62	<.001	Supported
H3a	Strategic Prompting → Trust	.41	.06	6.83	<.001	Supported
H3b	Trust → Creativity	.31	.07	4.48	<.001	Supported
H3c	Trust → Authority	.26	.06	4.33	<.001	Supported

Model fit: $\chi^2(220) = 456.2$; $\chi^2/df = 2.07$; CFI = .96; TLI = .95; RMSEA = .042; SRMR = .038.

In **H3**, Trust in Leadership/AI partially mediated these relationships. The indirect effect (via trust) of Prompting on Creativity was $\beta = .12$ ($p < .05$), and on Authority $\beta = .10$ ($p < .05$), indicating that the boost in perceptions partly works through increased employee trust in the leader's AI competence (Prasad & De, 2024). **H4** (moderation) also held: splitting the sample by high vs low AI readiness (via median split), the Prompting → Creativity path was significant only for the high-readiness group ($\beta = .47$, $p<.001$) and weaker for low-readiness ($\beta = .12$, $p = .10$). A chi-square difference test confirmed the moderation ($\Delta\chi^2$ significant), showing that readiness amplifies the creativity effect (Lu et al., 2025).

Table 5
Bootstrapped Mediation Analysis (Indirect Effects)

Indirect Path	Effect	Boot SE	95% CI LL	95% CI UL	Significance
Strategic Prompting → Trust → Creativity	0.13	0.04	0.06	0.21	**p < .01**
Strategic Prompting → Trust → Authority	0.11	0.03	0.05	0.18	**p < .01**

Note. Bootstrap resamples = 5,000. CI = Confidence Interval.

A moderated mediation test (PROCESS model 8) found that the indirect effect of Prompting on Creativity via Trust was stronger under high readiness (bootCI .08 to .22) than low readiness (bootCI .01 to .15). We also tested whether organization sector (public vs private) altered results; no significant differences emerged. Control variables (age, gender, organization size) had no significant effects.

Table 6
Moderation Test: Employee AI Readiness (Multi-Group SEM)

Path: Strategic Prompting → Creativity	β (Low Readiness)	β (High Readiness)	$\Delta\chi^2$ (df=1)	p
	.12 (ns)	.47***	8.41	.004

Note. ns = not significant; ***p < .001.

Several respondents offered illustrative comments: one principal noted, "Using ChatGPT to draft exam questions saved time and led to more creative scenarios that I could refine" (echoing the creative-resource idea). Another head of department remarked that being an early AI adopter made his colleagues perceive him as innovative and a thought leader. These anecdotes mirror our quantitative findings.

Overall, the results confirm our model: strategic prompting by managers fosters creativity in work outputs and enhances how employees perceive their leader's authority. These findings integrate with the broader literature on AI in organizations, while highlighting the managerial prompting dimension.

Discussion

Our study sheds light on how generative AI reshapes leadership roles. The positive effect of strategic prompting on creativity supports the notion that AI can function as a creativity amplifier. By providing cognitive job resources (Sun et al., 2025), AI frees employees to focus on ideation. Leaders who guide effective prompting essentially coach their teams on metacognitive AI use (Lu et al., 2025), which is reflected in higher creativity scores. Practically, this means managers should do more than simply give teams AI licenses; they must foster skills in asking the right questions of the AI.

The finding that prompting strengthens managerial authority is especially interesting. It suggests that in the GenAI era, leaders derive power not just from traditional hierarchy but from their expertise in new tools. This aligns with Kanter's (1989) idea of new power bases: instead of authority stemming from position or information hoarding, it can come from technological competence and innovation. Our evidence implies that teams view leaders who leverage AI as more credible. This could be explained by signaling theory: when a manager uses advanced AI to solve problems, it signals that they have superior resources and vision, boosting trust and status. This has implications for dynamic capabilities as well: prompt leaders become champions of new capabilities (learning how to harness AI), thus embedding these capabilities in the organization (Teece et al., 1997).

Theoretical implications:

Our integrated framework advances both marketing and HRM theory. From a marketing perspective, it highlights a novel form of internal marketing: encouraging employees to engage with AI-generated content as co-creators. It also suggests a new dimension of employer branding: an organization's investment in AI tools and leader competence can be an aspect of its employer value proposition (EVP). For HRM, our work complements studies on AI in recruitment/training by focusing on leadership process. It extends SET applications by showing that managers provide valuable resources (AI skill training, enhanced feedback via AI) expecting reciprocity (higher performance) (Cropanzano & Mitchell, 2005).

Practical implications:

The results offer clear guidance to practitioners. First, organizations should train managers in prompt engineering as a leadership skill. Simple measures (like the SHRM framework) can be incorporated into leadership development to improve prompt design (e.g., specifying goals, refining queries). Second, HR departments should integrate AI use into performance management and learning initiatives; for example, prompting AI can personalize employee development plans. Third, firms must cultivate trust in AI: since trust mediated the benefits, managers should be transparent about AI limitations and ethics (SHRM, 2024). For education leaders in Pakistan, our findings imply that principals and department heads can leverage AI tools not only to assist with administrative tasks but to engage teachers and

students in creative pedagogies. By positioning themselves as Prompt Leaders, educators can model innovative thinking and inspire confidence.

Linking back to marketing/HRM practices:
In internal marketing terms, the prompt leader serves as an internal brand champion for technology, disseminating an "AI-first mindset" (Lakhani in Kober, 2025) across the organization. This may enhance brand promise (consistency of message) and alignment. For talent management, the creative stimulation provided by AI and empowered leadership may increase employee satisfaction and reduce turnover, although our cross-sectional data cannot confirm turnover effects. Nevertheless, Mercer's insight that AI frees HRBPs for strategic work is supported: managers in our sample reported having more time for high-value tasks after adopting AI for routine work.

Limitations and Future Research
Despite its contributions, this study has limitations. First, our cross-sectional survey cannot establish causality with certainty. A longitudinal or experimental design would better capture how prompt leadership develops over time. Second, the data are self-reported from managers, introducing potential common-method bias despite our statistical controls. Future studies could triangulate with objective performance metrics or subordinate ratings. Third, the context (education sector in Pakistan) may limit generalizability. Cultural factors (e.g. power distance) could affect how authority perceptions change; replication in other sectors and countries is needed. Fourth, our measures of authority and creativity, though based on validated scales, could be enriched by qualitative data or behavioral indicators. Finally, we treated strategic prompting as a broad construct, but future research might unpack types of prompts or AI tasks (e.g. content creation vs data analysis) and their differential effects.
Future research could also explore downstream outcomes**.** For example, does prompt leadership improve actual organizational performance or innovation metrics? Do teams under prompt leaders adopt AI themselves (trickle-down effects)? It would be valuable to examine moderators like organizational culture (e.g. innovation climate) or leader traits (e.g. transformational leadership) in amplifying the prompting effect. Moreover, as AI evolves, new phenomena may arise: for instance, "AI backlash" where employees resist AI assistance (Liu et al., 2025). Investigating how prompt leaders manage such resistance would be instructive. Finally, future work could test our model experimentally by having managers use different prompting strategies and observing team creativity in controlled tasks.

Conclusion
This paper introduces the concept of the Prompt Leader to capture how managers strategically leverage generative AI prompts to reshape their authority and boost creativity. By blending insights from marketing (internal branding, co-creation) and HRM (empowerment, analytics), we developed a model showing that prompt-savvy leaders significantly enhance team creativity and are perceived as more authoritative. Our empirical survey of Pakistani education managers supports this: strategic prompting positively influenced creative performance and leadership credibility (with trust as a key mechanism).
In summary, our main findings are: (1) Generative AI prompting, when guided by leaders, becomes a dynamic capability that amplifies creative output (Sun et al., 2025). (2) Leaders who adopt AI as part of their workflow signal innovation and competence, strengthening their informal authority (Hillebrand et al., 2025). These insights contribute to theory by bridging the gap between AI technology and people management. They also offer practical lessons: training in prompt engineering and trust-building are essential for modern leadership.
Our study underscores that in the GenAI era, managerial authority is no longer just about hierarchy—it also lies in the ability to harness AI for strategic ends. Organizations that cultivate prompt leaders may gain a competitive edge via a more creative and empowered workforce. We hope this work stimulates further research on leadership in the AI age, ultimately guiding managers to lead with both human insight and AI assistance for maximum impact.

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