

When AI Starts Acting: Agentic Finance, Decision Autonomy, and the Future of Financial Governance

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Abstract

Artificial intelligence (AI) is moving financial systems from analytical decision support toward environments in which autonomous agents interpret objectives, generate strategies, and execute financial actions. This paper conceptualises the transition as agentic finance and argues that it is best understood as a governance–authority alignment challenge rather than a purely technological one. Research on AI capability, human–AI collaboration, and responsible AI governance explains model performance, joint decision-making, and ethical principles, yet says little about how organisations should govern systems to which decision rights have been

delegated. Integrating Dynamic Capability Theory, Agency Theory, Hybrid Intelligence, and Institutional Theory, the paper introduces AI Authority Governance Capability: the organisational capability to define, allocate, monitor, and regulate decision authority delegated to autonomous AI agents while maintaining accountability, transparency, and strategic alignment. The resulting framework explains how agentic AI capability enables decision autonomy, how autonomy redistributes decision authority, and how governance capability converts delegated authority into responsible financial outcomes. Six propositions specify these relationships and two boundary conditions. The paper extends agency theory to technological agency, complements dynamic capability theory with a governance capability, and moves responsible AI research from system-level to agent-level governance. It offers guidance for financial institutions, managers, and regulators and sets out an agenda for empirical validation.

Keywords: Agentic AI; Agentic Finance; Decision Autonomy; AI Authority Governance; Artificial Intelligence Governance; Financial Decision-Making; Responsible AI; Human–AI Collaboration

1. Introduction

Agentic AI marks a further step.

1.1 From Algorithmic Intelligence to Autonomous Financial Decision Actors.

Artificial intelligence has become a foundational capability of modern financial systems. Early applications concentrated on computational efficiency, using predictive analytics and pattern recognition to support credit assessment, fraud detection, algorithmic trading, and forecasting (Cao, 2022). These systems occupied a decision-support role: they produced predictions or recommendations, while human professionals evaluated the output and retained responsibility for the final decision. Generative AI extended this role by adding language understanding, knowledge synthesis, and contextual interaction (Feuerriegel et al., 2024), although it also raised concerns about reliability, ethics, and accountability (Dwivedi et al., 2023). Even so, generative systems remain largely reactive because they depend on human prompts.

Agentic systems interpret objectives, develop action plans, interact with their environments, execute tasks, and adapt to feedback (Abou Ali et al., 2026). In finance, where decisions involve uncertainty, informational complexity, and material organisational consequences, such agents may increasingly perform portfolio management, risk assessment, regulatory monitoring, advisory, and compliance functions (Aldasoro et al., 2025; Rizinski & Trajanov, 2026). The central issue is therefore not whether AI can perform financial tasks, but how organisations should govern AI once it acts as a decision participant rather than a passive analytical tool.

1.2 Agentic Finance and the Shift from Capability to Authority.

Agentic finance denotes the integration of autonomous AI agents into financial decision environments in which they analyse information, determine actions, and execute decisions within defined boundaries. Three

transitions characterise it: from prediction to reasoning, as systems evaluate courses of action rather than merely identify patterns; from recommendation to execution, as systems act on authorised decisions rather than await approval; and from static models to adaptive agents that change their behaviour through interaction with the environment. These transitions create opportunities, but they also raise questions of authority, responsibility, strategic alignment, and regulatory evaluation that technical performance cannot answer.

The AI capability literature shows that organisations with strong AI resources and competencies achieve gains in creativity, firm performance, and marketing capability (Mikalef & Gupta, 2021; Mikalef et al., 2023), and reviews link AI to business value (Enholm et al., 2022) and organisational readiness (Jöhnk et al., 2021). Capability, however, does not explain delegation. What an AI system is technically able to do differs from what an organisation permits it to decide. An investment agent may be able to

analyse markets, recommend strategies, and execute trades, yet whether it may trade independently depends on governance decisions, regulatory requirements, risk tolerance, and oversight arrangements. Moving from capability to autonomous action therefore requires decision authority redistribution, in which rights historically concentrated among portfolio managers, risk officers, and executives are partly delegated to technological agents. This creates a relationship between a human principal and a technological agent which, though lacking personal interests, generates comparable problems of monitoring, responsibility, and alignment. The central argument of this paper is that the fundamental challenge of agentic finance lies in governing transferred authority rather than in developing capability.

1.3 Problem Statement

Research has developed along three largely separate streams. AI capability research explains how organisations build resources and realise value, but not what happens when

systems become autonomous decision actors. Human–AI collaboration research examines joint decision-making but usually assumes that humans remain the final authority. Responsible AI governance research addresses transparency, fairness, and accountability, but mainly at the level of systems rather than agents capable of autonomous behaviour (Mäntymäki et al., 2022; Papagiannidis et al., 2025). Work on the governance of AI and agentic systems has begun to catalogue challenges and methodologies (Kumurdjieva et al., 2025); what remains missing is an organisational theory of delegated authority.

1.4 Research Gaps

1. Capability–authority gap concerns how technical capability becomes delegated decision authority.

2. Governance scope gap arises because existing frameworks address model-level concerns, whereas agentic finance requires attention to autonomous actions, behavioural monitoring, and decision accountability.

3. Theoretical integration gap reflects the fact that agency theory explains delegation and control, dynamic capability theory explains adaptation, and hybrid intelligence explains collaboration, yet few studies combine them.

4. Human oversight gap denotes the limited explanation of how meaningful oversight is sustained as agents act autonomously.

These gaps matter because autonomous decisions in finance affect investment outcomes, customer welfare, regulatory compliance, and organisational risk exposure.

1.4 Research Aim

The aim of this conceptual paper is to develop a theoretical framework explaining how financial organisations can govern the transition from AI capability to autonomous decision authority.

1.5 Research objectives

RO1 is to examine the transformation of AI from analytical capability toward autonomous financial decision-making.

RO2 is to explore how agentic AI capability influences decision autonomy and authority redistribution.

RO3 to develop a governance perspective on managing autonomous decision authority;

RO4 to propose a conceptual framework for responsible agentic finance governance.

1.6 Research questions

RQ1: How does agentic AI transform financial decision-making from assistance toward autonomous action?

RQ2: How does increasing AI autonomy influence the redistribution of financial decision authority?

RQ3: What governance capabilities are required to manage autonomous AI decision actors? RQ4: How can organisations achieve responsible financial governance in agentic AI environments?

2. Literature Review

2.1 Evolution of Artificial Intelligence in Financial Systems

The development of AI in finance reflects a progressive movement from computational assistance toward decision participation,

summarised in Figure 1. Early systems improved credit scoring, fraud detection, forecasting, and risk assessment by detecting

patterns that human analysts found difficult to see (Cao, 2022), but they remained

dependent on human interpretation and final judgement. Generative AI allowed machines

to take part in knowledge creation and

interaction (Feuerriegel et al., 2024) while

still awaiting human instruction. Agentic AI combines reasoning, planning, execution,

and adaptive learning so that systems can

pursue objectives and act on their environment (Abou Ali et al., 2026); it

represents a movement from algorithmic intelligence toward autonomous decision

intelligence. Aldasoro et al. (2025) show how

AI is reshaping financial systems through improved information processing and

decision efficiency. The emergence of agents

adds a further question: how much decision authority should be transferred to intelligent

systems? The evolution is thus organisational as well as technological, because it changes

how decision structures are configured. Table

1 contrasts the three generations of systems.

Figure 1. Evolution from Algorithmic Intelligence to Autonomously Decision Authority in Finance

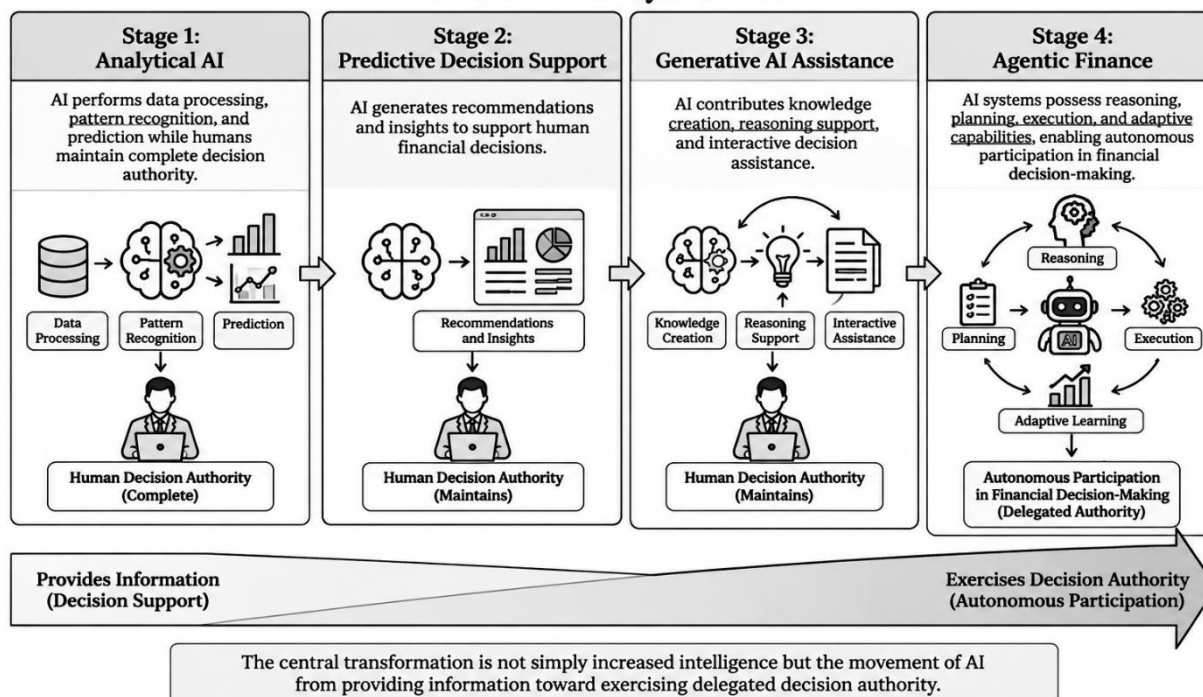


Table 1. Evolution from Traditional AI to Agentic Finance

Dimension	Traditional AI	Generative AI	Agentic AI
Primary capability	Prediction and classification	Knowledge generation and interaction	Autonomous reasoning and execution
Decision role	Analytical support	Cognitive assistance	Decision participation
Human involvement	Final decision authority	Collaborative interpretation	Governance and oversight
Operational behaviour	Reactive	Response-based	Goal-oriented and adaptive
Governance focus	Accuracy and reliability	Transparency and responsible use	Authority, accountability, and behavioural control
Financial application	Fraud detection, forecasting	Financial analysis assistance	Autonomous investment, compliance, and risk agents

2.2 Agentic AI Capability and Autonomous Financial Decision-Making

Agentic AI capability is the technological foundation of autonomous financial decision-making and comprises four interconnected dimensions. Reasoning capability lets agents interpret complex information, evaluate alternatives, and determine actions under incomplete information and competing objectives. An investment agent, for instance, weighs market conditions, economic indicators, portfolio objectives, and risk preferences to derive strategies rather than merely forecast prices. Planning capability enables agents to determine what actions to take, in what order, and under what conditions, supporting processes such as portfolio optimisation, compliance monitoring, and risk response. Execution capability marks the transition from recommendation to action: where a conventional system might recommend increasing exposure, an agentic system evaluates conditions, selects actions, and

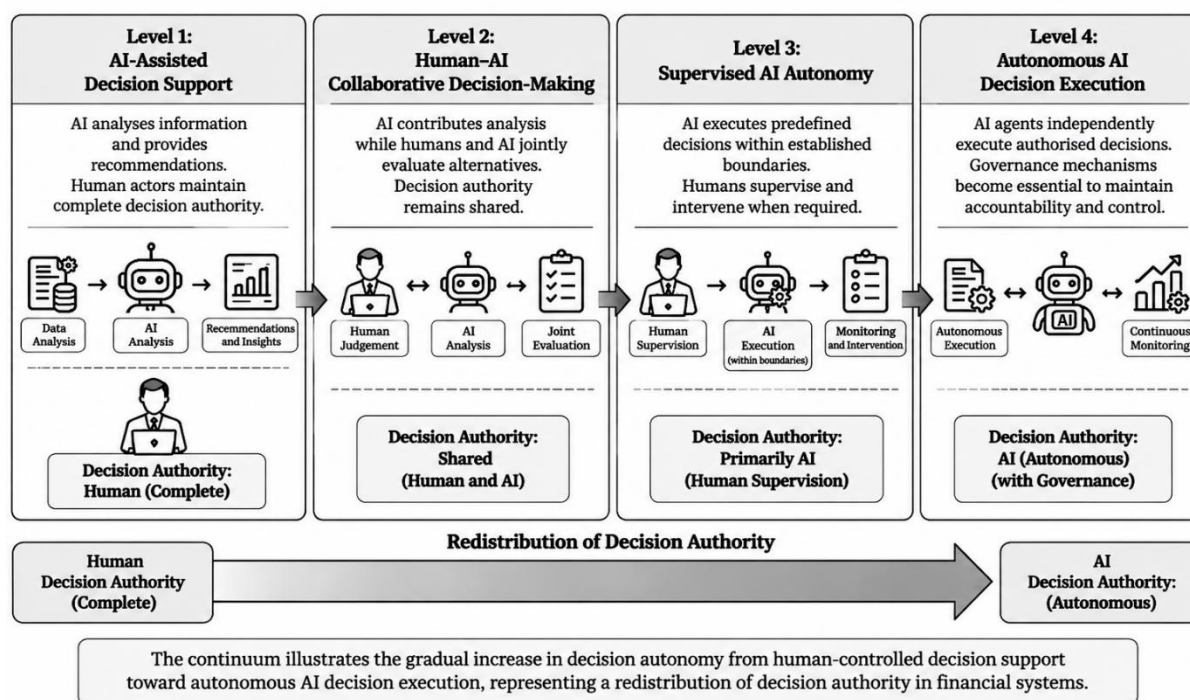
executes authorised transactions. This dimension poses the greatest governance challenge because execution transfers practical decision authority. Adaptive capability allows agents to learn from market fluctuations, regulatory developments, and changing customer behaviour, but adaptation must remain aligned with approved objectives.

2.3 Decision Autonomy and Redistribution of Financial Decision Authority

Decision autonomy is the degree to which an AI system can independently influence or execute financial decisions. Because capability research says little about how capability becomes authority, this paper conceptualises autonomy as a continuum, illustrated in Figure 2. At Level 1, AI supports decisions by analysing information while humans retain complete authority. At Level 2, humans and AI jointly evaluate alternatives and authority is shared. At Level 3, AI executes predefined decisions within established boundaries under human supervision. At Level 4, agents

independently execute authorised decisions, and governance mechanisms become essential for accountability and control. The continuum is consistent with Shrestha et al. (2019), who show that organisations allocate decisions between humans and AI through different structures, from full delegation to hybrid and aggregated arrangements, depending on the specificity of the decision search space, the interpretability of the decision process, and the size of the set of alternatives. Movement along the continuum is therefore a redistribution of decision rights and not only an improvement in technical performance.

Figure 2. Decision Autnomy Continuum and Redistribution of Decision Authority in Agentic Financial Systems



2.4 Agentic AI Applications in Financial Systems.

Agentic finance has potential applications in four domains. In investment management,

agents may analyse market information, evaluate opportunities, adjust portfolio strategies, and execute approved transactions. Saha et al. (2025) highlight that

large language model agents may transform the field by combining financial knowledge with autonomous reasoning, although inappropriate actions can cause financial losses. In risk management, agents can support credit risk assessment, fraud detection, and market risk monitoring. Bussmann et al. (2020) stress that explainability is necessary for stakeholder confidence in FinTech risk applications; with agents, explainability must extend from predictive accuracy to the reasons why an agent initiated a specific action. In compliance and regulatory intelligence, agents may monitor regulatory change, identify compliance risks, and prepare regulatory reports, which demands mechanisms that keep regulatory interpretations accurate and accountable. In financial advisory, agents may provide personalised guidance based on customer goals, financial conditions, and market information; because such advice directly affects customer welfare, transparency,

fairness, and human escalation pathways are required.

2.5 AI Governance Challenges in Autonomous Financial Systems

Traditional AI governance has centred on algorithmic accuracy, data management, transparency, and ethical principles. Global guidelines converge on principles such as transparency, responsibility, and non-maleficence (Jobin et al., 2019), and scholars have argued that such principles must be operationalised in practice (Morley et al., 2021). Organisational AI governance has been defined as the rules, practices, and processes through which organisations ensure that AI use aligns with their strategies, objectives, and values and meets legal and ethical requirements (Mäntymäki et al., 2022), and Papagiannidis et al. (2025) organise responsible AI governance into structural, relational, and procedural practices. Explainability research likewise concentrates on opening black-box models (Adadi & Berrada, 2018; Arrieta et al., 2020; Guidotti et al., 2018). These contributions

treat the model as the object of governance. responsibly govern the actions taken by an
Agentic finance changes the governing autonomous agent. Table 2 contrasts the two
question from whether the AI model is governance logics.
accurate to whether the organisation can

Table 2. Traditional AI Governance versus Agentic AI Governance

Dimension	Traditional AI Governance	Agentic AI Governance
Governance object	AI model and data	Autonomous AI agent behaviour
Primary concern	Accuracy and reliability	Authority and accountability
Decision process	Human-controlled	Human–AI shared or delegated
Control mechanism	Model validation	Behaviour monitoring and intervention
Transparency requirement	Explain model outputs	Explain decisions and actions
Accountability	Human decision-makers	Human and technological actors

3. Theoretical Foundations

Explaining the shift from AI-supported to autonomous financial decision-making requires theories that address how organisations develop the capabilities enabling autonomous action, how decision authority transfers from human to technological actors, and how accountability and legitimacy are maintained when AI influences financial outcomes. This paper integrates four complementary perspectives.

3.1 Dynamic Capability Theory and AI

Transformation. Dynamic Capability Theory explains how organisations sense opportunities and threats, seize them, and reconfigure resources to adapt to changing environments (Teece, 2007). Prior research shows that AI capability contributes to creativity, performance, and value creation (Enholm et al., 2022; Mikalef & Gupta, 2021), and readiness studies identify the organisational conditions that precede

successful adoption (Jöhnk et al., 2021). Agentic finance, however, shifts the question from whether organisations can develop AI capability to whether they can develop the capability to govern autonomous decision actors. The paper therefore extends the theory with AI Authority Governance Capability, which enables organisations to define decision boundaries, allocate authority, monitor autonomous behaviour, and maintain strategic alignment. The capability operates through the three dynamic capability processes. Sensing involves recognising emerging agentic applications, assessing financial use cases, and understanding regulatory expectations. Seizing involves deploying agents where autonomous decision-making creates value, as in portfolio analysis, compliance intelligence, and risk monitoring. Reconfiguring involves establishing governance teams, redesigning decision workflows, and building employee AI competencies. Successful adoption of agentic finance therefore demands

organisational transformation, not technical implementation alone.

3.2 Agency Theory and the Emergence of Technological Agency. Agency Theory is the primary foundation for understanding delegation and control. Jensen and Meckling (1976) conceptualise agency relationships as arrangements in which a principal delegates responsibilities to an agent whose information, objectives, or capabilities may differ, so that monitoring and control mechanisms are required. Eisenhardt (1989) adds that agency problems arise because principals cannot fully observe agent behaviour or guarantee alignment. Traditional relationships link human principals and human agents, such as shareholders and managers, executives and employees, or organisations and contractors. Agentic finance introduces an organisational principal and a technological agent. AI agents lack personal motivation or self-interest, yet they create agency-like challenges because organisations delegate decision authority, AI actions shape outcomes, and human visibility

into AI reasoning may be limited. An organisation deploying an autonomous investment agent must decide who owns responsibility for its decisions, how its actions are monitored, and when humans must intervene. The paper therefore argues that organisations must manage technological agency, in which accountability mechanisms are required not because AI has intentions but because it has decision influence.

3.3 Hybrid Intelligence Perspective and

Human–AI Collaboration. Where agency theory addresses delegation, Hybrid Intelligence addresses the relationship between human and machine capabilities. Dellermann et al. (2019) describe hybrid intelligence as combining human and artificial intelligence to achieve outcomes that neither could reach alone, emphasising complementarity rather than replacement. Financial decisions require both AI capabilities, such as computational speed, pattern recognition, large-scale information processing, and continuous monitoring, and

human capabilities, including contextual understanding, ethical judgement, strategic reasoning, and accountability. Jarrahi (2018) argues that organisations will increasingly depend on human–AI symbiosis, in which AI enhances rather than replaces human judgement, while Raisch and Krakowski (2021) identify an automation–augmentation paradox: automation may erode the human capabilities needed for complex judgement. Hybrid Intelligence thus explains why responsible agentic finance rests on collaboration rather than complete automation.

3.4 Institutional Theory and Regulatory

Legitimacy. Financial institutions operate under regulatory, consumer-protection, transparency, and ethical pressures, and Institutional Theory explains how organisations respond to such expectations to maintain legitimacy. Global AI guidelines increasingly converge on transparency and responsibility (Jobin et al., 2019), and Morley et al. (2021) argue that AI ethics must move from abstract principles toward operational

mechanisms. In agentic finance these not only by technological capability but also pressures shape how much autonomy by regulatory and societal expectations. organisations grant to agents and which Table 3 summarises how the four governance structures they establish. AI perspectives jointly explain agentic finance authority governance is therefore determined governance.

Table 3. Theoretical Integration for Agentic Finance Governance

Theory	Core Concept	Contribution to Agentic Finance
Dynamic Capability Theory	Sensing, seizing, and reconfiguration	Explains organisational capability development for AI transformation
Agency Theory	Delegation, monitoring, and control	Explains redistribution of decision authority to AI agents
Hybrid Intelligence	Human–AI collaboration	Explains balanced integration between AI autonomy and human judgement
Institutional Theory	External pressures and legitimacy	Explains regulatory and societal influences on AI governance

4. Conceptual Framework Development

Building on the theoretical foundations, the paper develops a framework in which agentic finance unfolds through five interconnected constructs: agentic AI capability, decision autonomy, AI decision authority redistribution, AI Authority Governance Capability, and financial governance effectiveness. Governance challenges emerge when technological capability becomes organisational authority.

4.1 Agentic AI Capability. Unlike traditional AI capability, which centres on

analytical performance, agentic AI capability comprises reasoning, planning, execution, and adaptation. Together these allow an agent to analyse market information, interpret investment objectives, generate strategies, execute authorised actions, and learn from outcomes, creating the possibility of autonomous financial decision-making.

4.2 Decision Autonomy. Decision autonomy is the extent to which AI systems independently influence or execute financial decisions. Three forms can be distinguished. In advisory autonomy, AI provides

recommendations and humans keep authority. In collaborative autonomy, AI and humans jointly evaluate decisions and share authority. In execution autonomy, agents independently execute authorised decisions and governance mechanisms become essential. These forms map onto the levels in Figure 2: advisory autonomy corresponds to Level 1, collaborative autonomy to Level 2, and execution autonomy to Levels 3 and 4, which differ in whether humans supervise execution within boundaries or agents execute independently. Autonomy thus bridges technological capability and organisational authority.

4.3 AI Decision Authority Redistribution.

Decision authority redistribution is the process through which decision rights move from human actors toward AI agents. In traditional financial systems humans decide and AI provides support; in agentic systems, agents analyse, decide, and execute within boundaries. Redistribution creates requirements concerning acceptable autonomy levels, accountability ownership,

and intervention mechanisms, and it is the central mechanism connecting AI capability with governance challenges.

4.4 AI Authority Governance Capability.

AI Authority Governance Capability is the central construct: the organisational capability to define, allocate, monitor, and regulate decision authority delegated to autonomous AI agents while maintaining accountability, transparency, and strategic alignment. It has four dimensions. Authority definition determines which decisions AI may make and which require human approval. Accountability allocation establishes responsibility ownership, escalation procedures, and oversight roles. Transparency and explainability ensure that agents can communicate their decision rationale, action pathways, and reasoning, building on explainable AI research (Arrieta et al., 2020; Bussmann et al., 2020). Continuous monitoring evaluates agent behaviour, performance, and alignment with objectives.

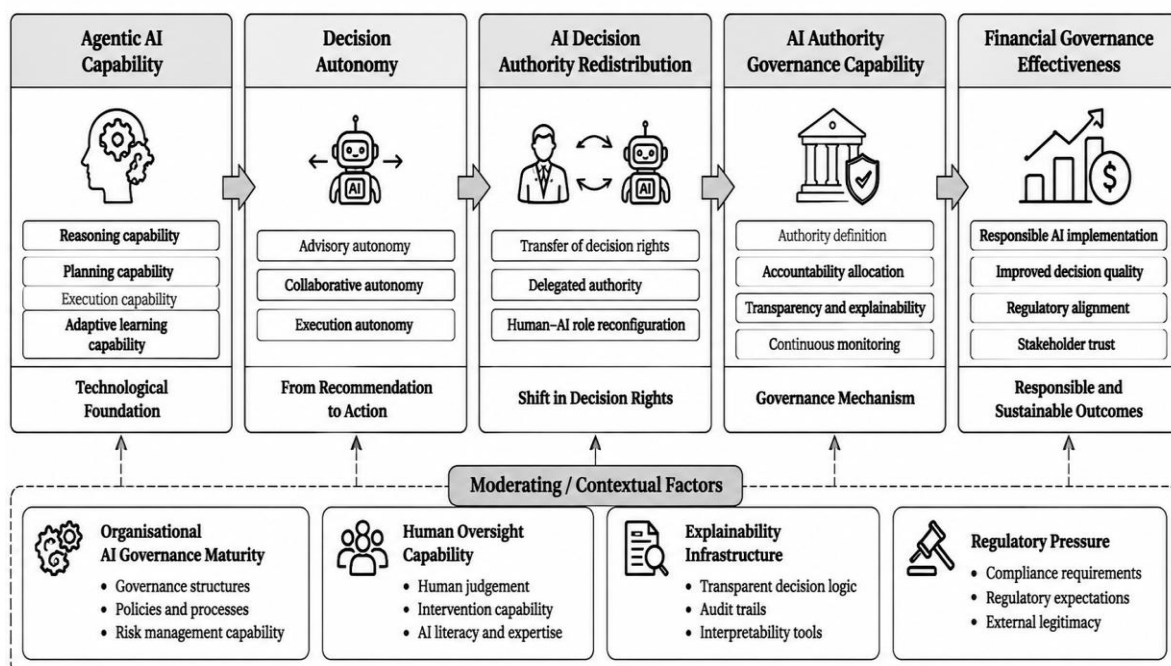
4.5 Financial Governance Effectiveness.

Financial governance effectiveness is the outcome of successfully governing autonomous AI systems. It comprises responsible AI adoption, improved decision quality, regulatory compliance, and stakeholder trust. Governance capability is the mechanism through which organisations convert AI autonomy into sustainable financial value.

4.6 The AI Authority Governance Framework for Responsible Agentic Finance. The proposed framework, presented in Figure 3, holds that AI capability alone does not create responsible autonomy.

Responsible autonomy emerges only when technological capability is combined with organisational decisions about authority delegation and governance control. Agentic AI capability enables decision autonomy; decision autonomy drives authority redistribution; redistribution creates the need for AI Authority Governance Capability; and that capability produces financial governance effectiveness. Four contextual factors condition these relationships: organisational AI governance maturity, human oversight capability, explainability infrastructure, and regulatory pressure.

Figure 3. AI Authority Governance Framework for Responsible Agentic Finance



5. Conceptual Propositions Development

The framework yields six propositions concerning the relationships among agentic AI capability, decision authority, governance capability, and financial governance effectiveness.

P1: Agentic AI capability positively influences the level of decision autonomy achievable within financial systems because reasoning, planning, execution, and adaptive learning capabilities increase the technical feasibility of autonomous financial decision-making.

P2: Increasing levels of decision autonomy lead to greater redistribution of financial decision authority from human actors toward autonomous AI agents.

P3: The redistribution of financial decision authority toward AI agents increases governance exposure by creating additional requirements for accountability, monitoring,

transparency, and intervention mechanisms.

P4: AI Authority Governance Capability positively influences financial governance effectiveness by enabling organisations to align autonomous AI decisions with strategic objectives, regulatory requirements, and accountability expectations.

P5: Human oversight capability strengthens the relationship between AI decision autonomy and financial governance effectiveness by enabling appropriate intervention, contextual judgement, and accountability preservation.

P6: Regulatory pressure strengthens the development of AI Authority Governance Capability by increasing organisational requirements for transparency, accountability, and responsible autonomous decision-making.

6. Discussion and Theoretical

Contributions

6.1 From AI Governance to AI Authority

Governance. The principal contribution of this paper is a shift from governing AI systems to governing AI authority. Established governance concerns, namely data quality, model performance, transparency, and fairness, remain necessary, but they presuppose that humans decide. Once systems influence and execute decisions, the governance question becomes whether the organisation can govern the authority delegated to them. AI Authority Governance Capability answers this question by directing attention beyond technical reliability toward organisational control over autonomous decision authority. Responsible AI governance thereby becomes responsible AI authority governance, where the concerns are who grants authority, what authority is granted, how it is controlled, and who remains accountable.

6.2 Extending Agency Theory into Technological Agency.

Second, the paper extends agency theory beyond human relationships. AI agents lack the divergent interests of human agents, but they evaluate information, select alternatives, and execute actions, functions traditionally performed by organisational actors. Technological agency therefore introduces governance challenges arising from technological as well as human delegation, and it grounds accountability in decision influence rather than intention.

6.3 Extending Dynamic Capability Theory

Through Governance Capability. Third, the paper complements dynamic capability theory. AI capability research has emphasised developing resources, integrating technologies, and generating value. By positioning governance capability as a necessary complement to technological capability, the paper explains how organisations keep autonomous actions controlled and strategically aligned, and so sustain the value that AI capability creates.

6.4 Reframing Human Roles in

Autonomous Finance. Finally, agentic finance transforms rather than eliminates

human involvement. Financial professionals move from decision-makers toward AI supervisors, governance managers, strategic interpreters, and accountability owners. This shift is consistent with hybrid intelligence, in which superior outcomes arise from combining human judgement with machine intelligence (Dellermann et al., 2019; Jarrahi, 2018).

7. Managerial and Practical Implications

The framework implies that successful adoption of autonomous financial systems requires governance capability in addition to technological investment.

7.1 Implications for Financial Institutions.

First, institutions should establish authority boundaries. Low-risk activities such as financial data analysis, market monitoring, regulatory information collection, and reporting assistance may be delegated with limited human involvement, whereas investment execution, credit approval, customer recommendations, and regulatory decisions require human involvement. Autonomy should be designed according to

decision impact rather than technological capability. Second, institutions should build governance structures, such as AI governance committees, model risk teams, compliance functions, and technology governance groups, responsible for approving autonomy levels, monitoring behaviour, reviewing decisions, and managing accountability. Third, because agents adapt and change their behaviour, institutions need continuous monitoring of decision patterns, unexpected actions, performance changes, and regulatory compliance, rather than periodic evaluation, particularly where human intervention is limited.

7.2 Implications for Financial Managers.

Managers will govern intelligent systems rather than only evaluate financial information. Three capabilities are required. AI governance literacy means understanding AI capabilities, limitations, governance requirements, and ethical implications. Strategic AI oversight means controlling fewer individual outputs and designing more

governance systems that define objectives, set boundaries, evaluate behaviour, and maintain accountability. Human–AI decision integration means judging when agents should act independently, when human judgement is necessary, and when decisions require escalation.

7.3 Implications for Regulators. Existing regulation largely assumes that humans remain responsible for decisions, an assumption that agentic AI challenges. Regulators should therefore consider clarifying accountability for AI-generated decisions, autonomous actions, and system failures; setting auditability standards that require agents to maintain decision records, action histories, and reasoning explanations; and adopting adaptive approaches flexible enough to accommodate evolving forms of autonomous decision-making.

8. Boundary Conditions and Future Research Agenda

8.1 Boundary Conditions of Agentic Finance Governance. The framework is most relevant where AI systems perform

high-impact financial activities, influence customer outcomes, execute transactions, and operate with limited human intervention. It is less applicable to data processing, descriptive analytics, and basic decision support, so governance requirements depend on the degree of authority delegated. Three conditions warrant investigation. Organisational AI governance maturity, meaning the structures, processes, and capabilities for managing autonomous AI, may shape how autonomy translates into outcomes. Human oversight capability raises questions about optimal human involvement, escalation mechanisms, and trust calibration, including when intervention improves outcomes and when excessive intervention reduces effectiveness. The regulatory environment varies across financial systems in its transparency, accountability, and human responsibility requirements, inviting comparative research.

8.2 Future Research Directions. Empirical validation is the first priority. Quantitative studies could develop measurement scales for

agentic AI capability, decision autonomy, AI Authority Governance Capability, and governance effectiveness, and test the relationships through structural equation modelling. Candidate dimensions for the governance construct are authority management, accountability management, transparency management, and monitoring capability. Qualitative case studies and interviews could explore how institutions implement agents, how managers perceive autonomous decision-making, and how governance practices develop. Sector-specific studies should examine autonomous credit assessment and customer service in banking, portfolio management in investment, underwriting and claims processing in insurance, and compliance monitoring in regulatory technology. Finally, research on trust should examine how customers perceive autonomous advisors, how employees trust AI decision systems, and how transparency influences acceptance, with particular attention to calibrated trust, in which stakeholders neither depend blindly on

AI nor reject its recommendations without evaluation.

9. Conclusion

AI is entering a phase in which systems move beyond supporting human decisions toward participating in organisational decision-making. This paper has argued that the central challenge of agentic finance is not technological capability but the governance challenge created when decision authority transfers from human actors to autonomous agents. By introducing AI Authority Governance Capability, it shifts attention from governing AI systems to governing AI decision authority, and explains how agentic capability enables autonomy, how autonomy redistributes authority, and how governance capability secures responsible outcomes.

The theoretical contribution is threefold: the paper extends agency theory into technological agency, extends dynamic capability theory with governance capability, and advances responsible AI research by emphasising the management of autonomous behaviour and decision authority. For

financial institutions, the implications are accountability challenges. Because the clear authority boundaries, strong framework is conceptual, its propositions governance structures, continuous require empirical testing. Future financial monitoring, and meaningful human systems will be defined not only by how oversight. Organisations that pursue intelligent AI becomes, but by how capability without governance capability effectively organisations govern intelligent may face greater uncertainty and autonomy.

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