Organisational agility a leverage to firm’s performance: an integrative review  

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A B S T R A C T  

This study examines the relationship between organisational agility and performance to determine how agility can improve performance. It will also emphasize organisational agility as a key driver of company performance. In keeping with the previous statement, an integrative review was undertaken using Scopus, IBRISCO, and ABI Inform. We also used free web searches to find resources on Science Direct, SABINET, Bing, and Google Scholar for this investigation. This study shows that aligning procedures with agility adoption can boost company performance. Well-planned and implemented agility initiatives improve company processes and efforts. Thus, organisational management can use agility to adapt to the changing business environment when correctly planned and performed. The report offers practical advice on how companies might adopt agility.  

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Introduction  

As we embark on the 21st century, global dynamics are undergoing significant transformations, particularly within communication channels. These shifting landscapes necessitate organisations to reevaluate their strategic direction and vision (Sharifi and Zhang, 1999). Organisational agility emerges as a viable approach to navigate such factors of change and revolution. In essence, organisational agility represents a fresh paradigm for competitive organisations and businesses. Harraf, Wanasika, Tate, & Talbott, (2015) argue that in the modern era, it is essential for business organisations to possess agility. The ability to quickly adapt to the external environment has become a requirement that differentiates successful organisations from those that struggle. Furthermore, Butler and Surace (2015) contend that in a climate of uncertainty and rapid change, the success of businesses hinges on their ability to adapt quickly to the challenges presented by an unpredictable environment. While the significance of agility is widely acknowledged (Arteta and Giachetti 2004; Dove 1999a; Yusuf, Sarhadi and Gunasekaran, 1999), state that there is a dearth of research examining agility within the context of specific industries, particularly those that are relatively new or emergent.  

The contemporary corporate environment is marked by ongoing change and innovation, which has resulted in tremendous breakthroughs. Taking this into consideration, a great number of studies have brought to light the significant significance that organisational agility plays in determining the performance of a company. In spite of this, there is still a dearth of studies about the influence that organisational agility has on overall performance level.  

The purpose of this study is to evaluate the association between organisational agility and performance, with the end objective of providing recommendations for improving organisational performance through the use of agility.  

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https://doi.org/10.20525/ijrbs.v13i3.3092
The relevance of organisational adaptability as a driving force behind increased firm performance will also be brought to light as a result of this. In accordance with the assertion that came before it, an integrative review was carried out, and searches were carried out on respected academic databases such as Scopus, EBSCO, and ABI Inform. In addition, we made use of free web searches to gain access to resources that were available on Science Direct, Science Direct, SABINET, and Bing. Additionally, Google Scholar has proven to be an invaluable source of information for this investigation.

This study has a number of practical implications and benefits, one of which is that the findings imply that businesses can improve their performance by properly aligning their processes with their efforts to adopt agility. An additional observation that was made was that initiatives for agility that are well-planned and carried out result in considerable improvements to both the processes of the business and the overall efforts. Because of this, management of an organisation may efficiently respond to the ever-changing and unpredictable business environment by utilising organisational agility, provided that the planning and execution of the organisation are done correctly.

According to the findings of the study, businesses can successfully adopt and implement agility into their operations by following the advice that are provided in the conclusion.

**Literature Review**

**Definition of Organisational Agility**

Over the past few decades, there has been considerable research conducted on the concept of organisational flexibility and various attempts have been made to define agility within business organisations. However, it is worth noting that most of these definitions have tended to focus on specific functional areas within the organisations. According to Wendler (2013), it is only recently that there has been a growing interest among researchers in exploring the concept of organisational agility as a phenomenon that encompasses the entire enterprise. Agility is defined as the capability to thrive and advance in a constantly changing and uncertain environment (Dove, 2002). In addition, agility refers to an organisational capability to respond swiftly and efficiently to a rapidly evolving environment (Janssen, 2010). Nafei (2016) also assert that organisational agility refers to the ability of an organisation to modify its internal structures and processes in a planned manner to adapt to changes in the external environment. Adaptability is the foundation of aligning organisational operations with the environment, while flexibility emphasises the preparedness of organisational resources and the ease of mobilising these resources. The concept of “agility” encompasses both flexibility and adaptability. The term “agility” was originally coined in the context of manufacturing, specifically concerning flexible manufacturing systems (Christopher & Towill, 2001). Therefore, Zikmund and DeKsnys (2018), contend that the concept of organisational agility pertains to an organisation's ability to recognise and adjust to unexpected changes in the external environment promptly and effectively. This capability encompasses the efficient utilisation and restructuring of internal resources, ultimately leading to a competitive advantage. An agile organisation is an organisation based on the skills, attitudes and behaviours of stakeholders that can adapt to ideas, models, and business processes despite the new freedom that groups and individuals have (Crowe and Abraham, 2019). In this study, three dimensions of organisational agility are taken into consideration namely: human resources, information technology, and innovation (Alhadid & Aburuhman 2015).

**Human Resource Agility:** With the ability and flexibility of people to play a key role in agile organisations that face constant changes in the environment.

**Information Technology Agility:** This helps organisations by providing information capabilities. This is based on the exchange of information between partner organisations that have proven necessary to ensure the security of important information, the appropriateness of their relationships and non-interference. Information security and information technology are more advanced than other technologies and industries and are being expanded by new technologies.

**Innovation Agility:** a better way for organisations to deliver solutions to customers is not just by selling products by broadening their horizons and putting ideas to good use throughout the new process.

**Conceptualisation of Organisational Performance**

Based on the organisation's approach to work, there is often confusion surrounding the distinction between “organisational productivity and performance”. Organisational productivity is typically assessed by determining the amount of work completed by the organisation within a specific timeframe. While this is certainly crucial, organisational performance is better grasped in terms of strategy, particularly when conducting an audit focused on the financial outcomes of a specific strategy. Performance evaluation not only gauges the impact of behaviours like productivity, but also incorporates comparative (normative) assessments. This includes the development and utilisation of resources (such as education and training, strategies, and tools) needed to establish efficiency, effectiveness, cost-effectiveness, performance, consistent conduct, and the quality and nature of a management system (Heffernan and Flood, 2000).

The significance of organisational performance is paramount in generating interest in management studies. Companies emphasise continuous improvement as it enables them to expand and progress (Gavrea, Corina; Ilies, Liviu; Stegerean, 2011). Bestowing to Cho and Dansereau (2010), organisational performance is defined as the company's achievement of its goals and objectives.
Additionally, as highlighted in the literature on organisational management, organisational performance comprises the actual outcomes or accomplishments of the organisation concerning its planned results (Tomal and Jones, 2015). Bestowing to Rostadás (1998), the performance of an organisation is assessed based on seven key characteristics that require monitoring, namely effectiveness, efficiency, quality, productivity, quality of work, innovation, and profitability. Freeman (1984) defines organisational performance as "the overall value generated by the company through its actions, encompassing the value created by all individuals with a rightful stake in the company". The effectiveness of an organisation is an important measure of its performance, indicating the level of success and results achieved by each member in pursuit of organisational goals. In essence, organisational performance represents the collective work that drives the organisation and can be assessed by comparing the actual achievements against the predetermined goals (Surjadi, 2009). In addition, Sobandi, (2006) suggest that organisational effectiveness encompasses the overall achievements made in terms of inputs, outputs, outcomes, and impacts over a specific timeframe.

**Organisational Agility and Firm’s Performance**

In today's increasingly competitive business environment, organisations must possess distinct qualities to succeed and remain relevant. An essential attribute for achieving success in the face of constant change is organisational agility. This characteristic empowers companies to enhance their performance by enabling rapid responses and adaptability to evolve circumstances (Yeganegi and Azar, 2012). In alignment with this idea, Sherehiy (2008) asserts that organisational agility plays a crucial role within an organisation by providing employees with knowledge, honing their skills, restructuring organisational processes, and embracing new technologies. Based on a study conducted by Kamplade, Mareva-Forsell, and Steele, (2021) it has been found that organisational agility has the potential to significantly influence performance. The study suggests that companies should enhance their agility and innovation by closely aligning their production processes with other aspects of their value chain within their domestic market, rather than relocating manufacturing facilities to international locations.

Using a bibliometric analysis in their study to recognise the value of organisational agility and determine the strategies that support its implementation for improved efficiency across company departments. Franco, Guimaraes & Rodrigues (2022) identified four clusters in their findings from a study these clusters revealed that organisational agility is related to various business factors, such as culture and technology, which contribute to achieving organisational goals: its relationship with responsiveness and flexibility in the business environment. Additionally, about gaining a competitive advantage within the organisation, Saha, Gregor, and Saha (2017) suggest that adopting an organisational agility approach can serve as a valuable tool in enhancing individual competence, organisational learning, and overall innovativeness. By fostering strategic foresight and systematic insight, this approach empowers the organisation to improve its performance. Moreover, the incorporation of attributes associated with organisational learning and prioritising organisational agility serves to enhance coordination and integration within the organisation.

From these findings, it can be deduced that organisational agility can have a great influence on organisational performance. A survey study was conducted to empirically test a model on organisational agility from data collected from 313 government employees in government departments. The findings from a study by Zhang, Ding, and Xiao, (2023) suggest that (1) organisational agility significantly influences the digital transformation of an organisation and (2) dynamic capabilities are important predictors of organisational agility which can have a positive influence on organisation. Dalvi, Shekarchizadeh and Baghsorkhi (2013) used descriptive-survey research to investigate the effect of organisational agility components on organisational performance using a satellite model finding postulate a notable positive correlation exists between culture, leadership, organisational change, and customer services (as key components of an agile organisation) and overall organisational performance.

Furthermore, a study by Doz and Kosonen (2010) showed that organisational agility is important for business development in Finnish companies such as Nokia, Easy Group, HP, SAP and Kone. DeGroote and Marx (2013) investigated AE in the United States manufacturing industry and found that organisational agility had a positive impact on business performance. Using a cross-sectional survey design to administer a quantitative survey to 564 owner-managers of small and medium-sized enterprises (SMEs), who were selected through a multi-method approach. Govuzela and Mafini (2019) analysed the connection between organisational agility, business best practices and the performance of SMEs in South Africa. Findings indicate that several key factors contribute to organisational agility and positively impact business performance. These factors include technology capability, collaborative innovation, organisational learning, and internal alignment. Additionally, it was found that organisational agility itself has a significant positive effect on overall business performance. In line with ongoing discussion on the link between organisational agility and organisation performance Usman, (2023) adopted the cross-sectional survey in its investigation of the variables. to investigate the relationship between organisational agility and the performance of SMEs in Bauchi state, Nigeria. Findings indicate a strong and positive correlation between organisational agility and the performance of small and medium-sized enterprises (SMEs) in Bauchi State, Nigeria.

**Recommendations on the Effective Adoption of Organisational Agility to Influence Organisation Performance**

According to Muthuvelloo and Gee Koay, (2023), organisational agility is vital to enhance organisational performance. Therefore, organisations need to clearly understand the market, and customer expectations and devote time to improving the performance of the organisation. Organisations with strategic agility can contribute to competitive advantage and achieve organisational development goals (Ofoegbu and Akanbi, 2012). However, in employing organisational agility through organisational learning, Govuzela & Mafini, (2019) state that organisational learning can be enhanced by providing an internal work environment where employees can
easily access information on best practices, teamwork, and training collaboration and promote social cohesion, strategies need to be consistent across different organisational processes.

In adopting organisational agility as a leverage to organisational performance Bushey (2019) states that change management techniques which involve formulating an inclusive change plan that amalgamates all projects and initiatives should be employed. Therefore, organisational development experts should prioritise providing training and education on change management, collaborating closely with organisational leaders to assess, review, and incentivise behavioural transformations regarding organisational agility.

**Research Methodology**

One of the primary considerations for selecting the specific journals is premised on the fact that they provide comprehensive coverage of topics related to organisational agility and firm’s performance, thus offering valuable insights that contributes to the research effort. The study utilised concepts centred around organisational agility as a leverage and driving force for effective business performance. In this regard searches on reputable academic databases such as Scopus, EBSCO, and ABI Inform were conducted. Additionally, we utilised free web searches to access resources available on Science Direct, Science Direct, SABINET, Bing, furthermore Google Scholar have been valuable sources of information for this study. In total, 33 articles were identified and analysed. Considering these sources, this study explores and discusses the pertinent data regarding the influence of organisational agility on firm’s performance.

**Results**

This section provides an overview of the key findings from the literature, emphasising the significance of the topic at hand. The business environment is characterised by constant change, which can lead to uncertainty, stress, and challenges (Ansell and Trondal, 2018). The practical implication of this study is that it underscores the importance for businesses to proactively adjust to and comply with organisational agility. By doing this, they can quickly implement successful strategies to assist employees, ultimately aiding organisations in effectively competing in a rapidly evolving agile business environment. Agile organisations possess the necessary structure, expertise, and personnel to effectively respond to changes in the business world, turning them into opportunities for growth and success. Therefore, the benefit of this study and in adopting agility by organisations is that it enables firm’s performance improvement and ensuring long-term viability.

**Organisational Agility Insight**

The study investigates organisational agility as a leverage to a firm’s performance in this regard literature reveals that agility refers to an organisational capability to respond quickly and effectively to a rapidly evolving environment (Janssen, 2010).

It was also revealed in the literature and averred by Nafei (2016) that organisational agility refers to an organisation's ability to modify its internal structures and processes in a planned manner to adapt to changes in the external environment. Adaptability forms the foundation for aligning organisational operations with the environment, while flexibility highlights the preparedness of organisational resources and the ease of mobilising these resources. The concept of "agility" encompasses both flexibility and adaptability. The term "agility" was initially used for flexible manufacturing systems in the manufacturing context (Christopher & Towill, 2001).

From the reviewed literature it was revealed and acknowledged by Zitkienė and Deksnyš (2018) that the concept of organisational agility relates to an firm’s ability to recognise and adjust to unexpected changes in the external environment promptly and effectively.

**Dimensions of Organisational Agility**

Generally, the concept of organisational agility is well understood through the lens of three dimensions of organisational agility namely: human resource agility, information technology agility, and innovation agility in line with the preceding assertion Alhadid & Aburuhman (2015) suggests that the following:

**Human Resource Agility:** In agile organisations that encounter frequent changes in the environment, individuals possess the capability and adaptability to play a significant role.

**Information Technology Agility:** This solution helps organisations by enhancing their information capabilities. It is based on the exchange of information between partner organisations, which is essential for ensuring the security of important information, maintaining appropriate relationships, and minimising interference. The field of information security and technology surpasses other industries in terms of advancement, and it continues to grow with the introduction of new technologies.

**Innovation Agility:** A more effective approach for organisations to provide solutions to customers is not solely through product sales, but rather by expanding their perspectives and effectively implementing innovative ideas in the entire process.

**Organisational Performance**

The primary objective of the study is to explore the impact of organizational agility on a company’s performance. In this regard corresponding literature was able to offer insight on the organisational performance as a concept. Cho and Dansereau (2010),

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Organisational performance pertain to the successful attainment of the company's objectives and goals. Furthermore, as noted in the literature on organisational management, findings revealed that organisational performance encompasses the tangible results or accomplishments of the organisation in alignment with its predetermined objectives. (Tomal and Jones, 2015).

Additionally, the literature provides further information on organisational performance. Conferring to Rolstadás (1998), the performance of an organisation is evaluated by monitoring seven crucial characteristics: effectiveness, efficiency, quality, productivity, quality of work, innovation, and profitability. According to Freeman (1984), it was revealed that organisational performance can be defined as the collective value generated by a company through its activities, encompassing the contributions made by all stakeholders with a legitimate interest in the company.

**Agility and Performance Linkage**

One of the significant efforts in the study was to underscore the leverage that agility has on organisational performance, bestowing on the reviewed literature Sherehiy (2008) illuminates the intertwines of agility and organisational performance stating that organisational agility is essential in facilitating employee development, enhancing skills, restructuring processes, and adopting new technologies within an organisation.

Further reviewed literature revealed a link between agility and performance linkage, Kamplade, Mareva-Forsell, and Steele (2021), discovered that organisational agility can have a substantial impact on performance. The study proposes that companies can increase their agility and innovation by closely integrating their production processes with other elements of their value chain within their domestic market, instead of relocating manufacturing facilities to international destinations. The literature reviewed for this study was able to offer informed insight into the connection between agility and organisational performance therefore in a recent study, by Franco, Guimarães & Rodrigues (2022) four distinct groups were identified. These groups shed light on the correlation between organisational agility and key business factors like culture and technology. These factors play a vital role in attaining organisational goals, particularly in terms of responsiveness and flexibility in the business environment. In addition, Saha, Gregar, and Sáha (2017) recommend that adopting an organisational agility approach can be a valuable tool for enhancing individual competence, organisational learning, and overall innovation, thus providing a competitive edge within the company. By promoting strategic foresight and systematic insight, this approach empowers the organisation to improve its performance. Furthermore, incorporating attributes linked to organisational learning and prioritising organisational agility helps to improve coordination and integration within the company.

Zhang, Ding, and Xiao, (2023) suggest that (1) organisational agility significantly influences the digital transformation of an organisation and (2) dynamic capabilities are important predictors of organisational agility, which can have a positive influence on the organisation. It was observed from the literature and from a study by Dalvi, Shekarchizadeh, and Baghsorkhi (2013) who conducted a descriptive-survey research study to examine the impact of organisational agility components on firms’ performance utilising a satellite model. Findings suggest a significant positive correlation between culture, leadership, organisational change, and customer services (as key components of an agile organisation) and overall organisational performance.

**Agility and Business Development**

Premised on the discussion of the findings from the study and the investigation on the leverage of agility on organisational performance. Findings from the literature review suggest that agility is an important catalyst for organisational performance. In their study, Govuzela and Mafini (2019) analysed the relationship between organisational agility, business best practices, and the performance of small and medium enterprises (SMEs) in South Africa. The findings revealed that several crucial factors play a role in organisational agility and have a positive influence on business performance. These factors encompass technology capability, collaborative innovation, organisational learning, and internal alignment. Moreover, the study discovered a significant positive correlation between organisational agility and overall business performance.

Following the ongoing discourse on the connection between organisational agility firm’s performance, Usman (2023) employed a cross-sectional survey to explore the variables and examine the correlation between organisational agility and the performance of (SMEs) in Bauchi State, Nigeria. The findings conclusively establish a robust and favourable association between organisational agility and the performance of SMEs in Bauchi State, Nigeria.

**Conclusion**

The research aimed at examining the relationship between agility and sustainable performance. A thorough examination of existing literature provides insights into both organisational agility and performance.

By closely analysing relevant journals, the study uncovers findings that highlight the connection between organisational agility and performance. In doing this research questions that seek to identified organisational agility, determine the nexus between organisational agility and firm’s performance and recommendations on the adoption of agility in organisation guided the research.
The perused literature highlighted that organisational agility can be viewed through the lens of an organisation’s capability to strategically adjust its internal structures and processes in response to changes in the external environment.

It was deduced from the literature review that organisational agility can found three dimension namely human resource, information technology and innovation agility. The research acknowledges that when implemented strategically, organisational agility can significantly enhance employee knowledge and development within an organisation. Furthermore, it affirmed from the finding that adopting agility in organisation can help in facilitating process restructuring and new technology implementation in organisations. As the significance of embracing agility in organisations is highlighted, explicit guidance is provided on how to enhance and effectively adopt agility within organisations this is important because of the possibility of misalignment in agile process implementation in organisation. Hence, the following recommendations are proposed for organisations seeking to effectively implement agility to improve performance. Considering the previous statement, it is essential for organisations practicing agile methods to have a comprehensive understanding of the market and consumer expectations. In addition, it is significant to establish an internal workspace that makes it simple for employees and stakeholders to obtain knowledge on training collaboration, teamwork, and best practices. Additionally, it is advisable for organisations implementing agility to create a conducive environment that facilitates easy access to information regarding collaboration, teamwork, and training to support the adoption of agility within the organisation. The study also recommends that for organisations to adopt agility, it is advised to implement change management strategies. One key recommendation is to develop a comprehensive change strategy that encompasses all activities and projects. Furthermore, the study suggests that for successful implementation of agility in organisations, it is crucial for practitioners to collaborate closely with organisational leaders in assessing, monitoring, and incentivising behavioural changes that support organisational agility. Therefore, experts in organisational development should prioritise providing guidance and training in change management.

For additional research and future studies on the relationship between agility and firm performance, it is important to recognise that this study is limited to research papers and articles. Therefore, future researchers are encouraged to expand upon this study by including a wider variety of scholarly journals and utilising empirical research methods, such as quantitative and qualitative approaches, to enhance the depth and breadth of the research organisational agility and firms’ performance.

**Acknowledgement**

**Author Contributions:** Conceptualization, Methodology, Data Collection, Formal Analysis, Writing—Original Draft Preparation, Writing—Review And Editing by authors with equal participation. All authors have read and agreed to the published the final version of the manuscript.

**Institutional Review Board Statement:** Ethical review and approval were not applicable for this study.

**Data Availability Statement:** The data presented in this study are available on request from the corresponding author. The data are not publicly available due to privacy.

**Conflicts of Interest:** The authors declare no conflict of interest.

**Conflicts of Interest:** The author hereby declares that there are no conflicts of interest.

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