

Attributes of Agile Organizations

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ABSTRACT

Several definitions and observations relating to the concept of organizational agility have been proposed, studied, and discussed. Despite this fact, there exist few comprehensive definitions or frameworks describing the concept of agility in a universally applicable manner. There is little study beyond the realm of manufacturing, though evidence indicates agility is a necessary trait for manufacturing and service industries alike. This research paper proposes a definition and conceptual framework for describing agility that enables its application to a universal scope of business type. Further, the study is to culminate in a tool that could be used by managers of various organizations to evaluate and identify those areas for improvement that may exist within their organization.

Keywords: Agility, Organizational Effectiveness, Sustainability, Adaptability, Change Management

INTRODUCTION

“Without exception, all of my biggest mistakes occurred because I moved too slowly.”

John Chambers, Cisco CEO

Agility in the 21st century is no longer a matter of choice. Organizational nimbleness and ability to respond swiftly to the external environment has become a necessity that distinguishes successful organizations from those that flounder—slow to adapt or quick to ignore market signals. The compounding forces of the market pressures where successful business practices are imitated globally, coupled with ever-dynamic environmental forces that range from volatile economic forces to embryonic social changes, require speedy adaptability and swift flexibility.

However, at times, the inherent necessity to grow and become a sizable contender within their respective industry impedes organizations’ ability to be flexible and respond to market changes promptly. Their sheer size and market prominence often blinds and hinders their ability to detect and rapidly respond to the changes that could fundamentally alter the business environment, competitive landscape, and market conditions.

ORGANIZATIONAL AGILITY

Organizational agility is an intangible concept whose definition has consistently lacked uniform application and comprehensive agreement between scholars and researchers. Indeed, numerous scholars have defined agility in different ways. Research has shown that agility in it of itself is an abstract concept that permeates much of an organization’s internal and external functioning. Grasping the entirety of the concept in a universally accepted definition has proven challenging if not impossible. Agility’s common definitions are principally derived from studies regarding the manufacturing industry—as it was from this industry that the concept of agility gained prominence. Divergent perspectives, definitions, and theories regarding agility have emerged from the relatively limited research that has transcended the manufacturing boundary that is the historical premise of the concept. This has resulted in a picture of agility that has some similarities, some contradictions, and some gaps.

Common themes throughout research led to the conclusion that agility is not a singular achievable standard (Dyer, L.). There is no quintessential formula of what agility looks like—a

firm can become increasingly agile, but never concretely agile. Organizational agility is more a matter of becoming than being (Alzoubi, A. E.). Compiling past studies enables a more comprehensive—but not entirely so—definition to be derived: today organizational agility is considered a core competency, competitive advantage that requires strategic thinking, innovative mindset, exploitation of change, and an unrelenting need to be adaptable, flexible, and proactive.

Agile organizations are aggressive in adapting their cultural and operational practices to their changing environment—an environment shaped by many interdependent variables. Not only do they have to encounter slow economic growth, they must expeditiously canvas their competitive landscape in maintaining their market share by meeting the ever-increasing customer expectations on quality, price, service, and introduction of new initiatives in business practices. Their bias for action, unrelenting attitude in embracing change, insistence on innovation, and tolerance for ambiguity and risk are fundamental attributes and core competencies they share that make them agile. Transforming a business enterprise to an agile and high performing one requires building a nurturing organizational culture that embraces change, seeks to seize market opportunities, executes strategy faster, and tolerates risk taking behavior.

The underlying foundation for building such a culture necessitates the need for transformational leadership that builds and reinforces the required attributes that make an organization agile. The resulting outcome of becoming an agile organization yields the competitive advantage that sets the organization apart from its competitors on effectiveness and market performance. Successful and sustaining organizations have been able to identify and masterfully put in place the required agility enablers as drivers of change and innovation. Planning for a transformation that requires fundamental overhaul of all aspects of business processes necessitates intentional revamping of the organizational culture.

Toyota, Apple, General Electric, Home Depot, Google, Whole Foods, Starbucks, FedEx, Netflix, and Ritz Carlton, to name a few, are among the very best performing companies within their respective industries. Identifying those attributes that are common and make them agile (and consequently a leading organization), could reveal a winning prescription for many organizations. Other organizations could be presented this knowledge and become more competitively enabled through reshaping their culture to become agile, such that they might take

advantage of the changing and inherently volatile business environment rather than becoming victim of complacency and inaction.

SHARED ATTRIBUTES

The intangible nature of agility makes identifying and consolidating the characteristics of agile organizations challenging. Still, common themes between and among organizations that are credited with being agile do exist. These common trends are to be further studied in order to determine which of the characteristics presented by scholars, researchers, and existing organizations, best represent the organizational character of agility as a whole. Preliminary analysis of agile organizations and consolidation of research on agility has led to ten tentative attributes to serve as fundamental characteristics of agility such that other organizations might subscribe to, emulate, and adapt into a functioning framework to increase their respective organization's sustainability, competitiveness, and overall organizational effectiveness. These ten attributes—culture of innovation, empowerment, tolerance for ambiguity, vision, change management, organizational communication, market analysis and response, operations management, structural fluidity, and development of a learning organization—are intended to provide a guide such that manufacturing and service industries alike may adopt and incorporate them in their processes to enable them for success and to exceed their stakeholders' expectations. More specifically, organizations could use these attributes to alter their organization to achieve the desired state of agility where they can conquer a prominent market position within their respective industry.

THE STUDY

The proposed study is to identify those agility attributes that are common to successful organizations and concurrently identify how they use them as a competitive advantage within their respective industries. It further intends to examine how these organizations have re-engineered their cultures of dexterity by implanting the required attributes of agility that are fundamental to sustaining a nimble and highly effective organization. The study is to culminate in a tool that could be used by managers of various organizations to evaluate and identify those areas for improvement that may exist within their organization. The tool, intended to be a representative synthesis of previous research, modern studies, and successful organizational

attributes, should serve to identify both the degree to which an organization is agile while simultaneously identifying the potential areas for improvement. While the tool is not intended to be entirely conclusive, it should serve as a guide to help managers practically conceptualize the necessary attributes and potential courses of action that may enable their organization's success through the transformational process to overall agility.

Agility should be emphasized as supremely important for the reasons previously identified as well as its role as the enabler for organizational effectiveness. It is a means of reaching and sustaining higher order performance that must overcome traditional business processes and become characteristic of the overall organizational culture and function. This study aims to provide a workable framework of both understanding and practical application that can be universally applied to help scholars and managers alike in understanding agility as a complex and intangible concept that permeates multiple facets of organizations and drives them towards success.

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