

The strategically agile organization: development of a measurement instrument, February 2012.

Abstract:

Companies and their top management teams across industries face the challenge of managing the increasing rate and complexity of change in the global business world. This research explored the construct of organizational Strategic Agility and the range of key capabilities and management practices that define it. Strategic Agility is an organization's ability to continuously take advantage of opportunities generated by market changes and disruptions by having the internal capacity to anticipate and respond quickly to what occurs in those markets to achieve competitive advantage. Strategically Agile Organizations think, operate and act in ways that lead to the development of new business models and innovation. Their CEOs and top teams take a comprehensive approach to strategy formation and execution and readily adapt or shift their approach based on their understanding of their markets.

In this research, I examined the construct of the Strategically Agile Organization by developing and testing a survey based instrument to measure it. Doz and Kosonen's (2008) Strategically Agile Organization model served as the basis for the development of this survey instrument. The survey was distributed and completed by one hundred and sixty senior level executives and managers from a wide array of companies across a breadth of industries. Factor analysis methods yielded five distinct, interrelated and internally consistent factors (capabilities) that comprise the Strategic Agility construct. These were named: Strategic Sensitivity, Collective Commitment, Resource Fluidity, Innovation, and Collective Direction.

The main accomplishment of this research was the further development of Doz and Kosonen's Strategic Agility construct to include the newly discovered capabilities of Innovation and Collective Direction. This newly developed instrument for measuring organizational Strategic Agility can assist organizational leaders to assess their company's level of Strategic Agility on these five capabilities as well as in total. Such an assessment provides them the opportunity to adopt practices to become more agile and adaptive to turbulent, changing markets. Future research recommendations and the implications for organizational leaders are discussed, as well as the strengths and limitations of the current research.