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Scientific Literature Review (SLR) of Agility Management on Organization Performance in the Case of Ethiopia

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Abstract

Agility is inevitable, but the rate of agility in modern times is greater than ever. As the world progresses, agility management is seen as a permanent aspect of any organization and an opportunity for organizations to improve their productivity, profits, and competitive edge. The main objective of this study is to investigate the effect of agility Management practices on organization performance in the case of Siinqee Bank at Guji Zone in 8 selected Branches. The study adopted a descriptive and explanatory research design scientific literature review (SLR) was used to review the related literature to agilility management. The researcher was respectful and kept the information that was gained from respondents confidential and their responses were used only for this academic research purpose.

Keywords: Agility, competitive edge, organization performance, Siinqee Bank, Statistical Package for Social Science (SPSS).

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Introduction

Agility management is important to any organization either public or private. Agility is inevitable and organizations in the modern world are operating under ever-changing demands. The organization needs to implement agility initiatives successfully and effectively to achieve organizational goals (Fulea et al., 2023). However, to achieve desirable and intended outcomes, agility must be effective and sustainable (Rawashdeh et al., 2024). Agility management is a systematic approach that includes the application of knowledge, resources, and tools that can be used to leverage the benefits of agility. It is also viewed that the systematic approach will better manage the agility process to positively improve performance (Lill & Wald, 2021). Highlighting the importance this phenomenon holds in the current environment, there is a huge and still growing body of research concentrating on agility management (Tarba et al., 2023). Agility is inevitable, but the rate of agility in modern times is greater than ever. As the world progresses, agility management is seen as a permanent aspect of any organization and an opportunity for organizations to improve their productivity, profits, and competitive edge (Rani et al., 2024). Furthermore, commitment to agility on the part of organizational members depends on their responses to agility management dimensions like strategic agility, structural agility, and technical agility (Hutter et al., 2023).

In Africa, agility is also inevitable. Most African countries have undergone a series of abilities. Town administrations in Africa have gone through tremendous agilities due to the growth and expansion of institutions of higher administrations. To compete globally, town administrations have embraced agility management factors such as culture, technology, leadership, and structure which affect both organization and organizational performance (AlNuaimi et al., 2022). Organizational performance is important for an organization to achieve its objectives and goals. It is noted that rapid technological advancements, high expectations of customers, and ever-changing market situations (Akparep et al., 2019); (Rumanti et al., 2023). Agility management was measured in terms of leadership, technology; structure, and culture agility (Carvalho et al., 2023).

The origin of agility management theories started with Kotter. Presented eight steps to produce successful agility of any magnitude in organizations: establishing a sense of urgency, creating a guiding coalition, developing a vision and strategy, communicating the agility vision, empowering broad-based action, generating short-term wins, consolidating gains and producing more agility, and anchoring new approaches in the culture. The first 4 steps are meant to unfreeze the organization. Management textbooks begin their discussions on how the field of managing agility developed with Lewin's 'classic model' and use it as an organizing schema. Kurt Lewin is widely considered the founding father of agility management, with his unfreeze–agility–refreeze or 'changing as three steps'. Kurt Lewin's 'changing as three steps' (unfreezing, changing, refreezing) is regarded as the classic or fundamental approach to managing agility.

Method

This study tried to investigate the effect of organizational agility on organization performances at Adola Town administration, Ethiopia. It situates the topic under study within prior theoretical and empirical studies and explains key constructs and terms. Referring to various theoretical and empirical studies, the following self-developed conceptual framework is constructed.

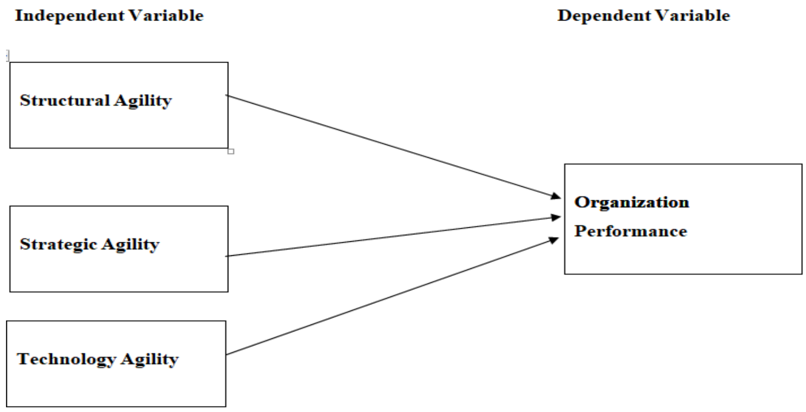

Figure 1. conceptual framework

This model serves as a basis for this research. The purpose of this research is to find the relationship between four variables which are structural agility, strategic agility, technology agility, and finally organization performance in the Adola Town administration in Ethiopia. There are three independent variables which are structural agility, strategic agility, and technology agility and one is a dependent variable which is organization performance. This model helps to check the significant relationship between agility management and organizational performance

Result and Discussions

Concept of Organizational Agility

The concept of organizational agility comes from the nature and environment of the organizations. Agility means a series of events that support the process of development in organizations. Organizational agility generally means rightsizing, new development, agility in technologies, rescheduling operations, and major partnerships. According to (Felipe et al., 2017), Organizational agility can include abilities in terms of the organization’s involvement, products or services, the market it serves, and the way it interacts with customers or suppliers, among others. This is the basis of the theoretical concerns of agility management on an organization’s performance. Agility is unavoidable in organizations today and is of paramount importance to study how agility factors affect organizations’ performance. Agility is what presses us out of our comfort zone and it is inevitable. Vrontis et al., (2023), is of the view that agility comes in an organization in many forms: merger, acquisition, joint venture, new leadership, technology implementation, organizational restructuring, and agility in products or regulatory compliance. Agility management can be defined as a style of management that aims at encouraging organizations and individuals to deal effectively with the abilities taking place in their work. In the global market economy, technology introductions, an aging boomer population, and less-than-honest world competition have all had an impact on agility management. With the sudden financial shock in late 2008, many employers rushed to downsize their organizations to capture possible profits. In today’s business environment, it’s becoming obvious that nothing remains still. He emphasizes that the rate of agility that business organizations face has continued to increase more and more in the last five decades.

Concept of Organization Performance

A successful organization requires organizations who are willing to do more than their usual job scope and contribute performance that exceeds the goal’s expectations. Organizations‟ performance is imperative for performance to yield organizational effectiveness in an increasingly competitive environment. In the contemporary business environment, most of the companies facing challenges are obligated to put more emphasis on enhancing the organization's performance It is argued that to engage in effective performance, management needs to empower organizations to design their job and roles. In so doing organizations will discover jobs more fit between organization's skills, needs, and values. The organization's performance will drop due to downsizing innovations and mergers in the organization, as well as changes in the location, time, quality, and quantity of the tasks and responsibilities.

MEASURE OF ORGANIZATION PERFORMANCE

Productivity is an overall measure of the ability to produce a good or service. More specifically, productivity is the measure of how specified resources are managed to accomplish timely objectives as stated in terms of quantity and quality. Productivity may also be defined as an index that measures output (goods and services) relative to the input (labor, materials, energy, etc., used to produce the output). As such, it can be expressed as Hence, there are two major ways to increase productivity: increase the numerator (output) or decrease the denominator (input).

THEORETICAL REVIEW

Kurt Lewin Theory:

Introduced the three-step agility theory. Lewin propounded that behavior is a dynamic balance of forces working in opposing directions. He observed that driving forces facilitate agility because they push organizations in the desired direction. He postulated that restraining factors hinder agility because they push organizations in the opposite direction. The outcome of Lewin‟s theory shifts the balance in the direction of planned agility. Based on Lewin's theory, the first step in the process of changing behavior is to unfreeze the existing situation or status quo which is considered the equilibrium state. He observed that unfreezing is necessary to overcome the strain that individual resistance and group conformity may exhorts on the agility process.

Lewin recommended three methods for achieving the unfreezing phase of the agility process;

(i) Increase the driving forces that direct behavior away from the existing situation or status quo.
(ii) Decrease the restraining forces that negatively affect the movement from the existing equilibrium and;
(iii) Find a balance between the driving and restraining forces to shift direction towards the planned agility.

Lewin described the second step in the process of changing behavior as the Movement Stage. At this stage, the target system is moved to a new level of equilibrium. During this stage, organizations are persuaded to agree that the status quo is not beneficial to them and they are encouraged to view the problem from a fresh perspective, work together in a quest for new, relevant information, and connect the views of the group to well-respected, powerful leaders that also support the agility. The last of Lewin's three three-step agility model is Refreezing. This step takes place after the intended agility has been implemented. The phase is connected with the need for sustainability of the agility.

Kotter's Model of Organization Agility

Kotter's Model was developed after a study of over 100 organizations varying in size and industry type after administrations that the majority of major agility efforts failed. He concluded his model as a way of avoiding major errors in the agility process. The key administration points from Kotter's Model were that;

1) Agility process goes through a series of phases each lasting a considerable amount of time.

2) Critical mistakes in any of the phases could have a devastating effect on the momentum of the agility process (Seefeldt et. al., 2022).

TYPES OF ORGANIZATIONAL AGILITY

Kotter and Schlesinger (1979), propounded the three types of agility management in an organization, that are Transformational Agility, structural agility, and technological agility.

Strategic abilities

Strategic agility is defined as the effective management of business agility such that executive leaders, managers, and frontline employers work in concert to successfully implement the needed process, technology, or organizational agility (Long & Young, 2022). Ali & Anwar (2021). defined strategic agility as the process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers.

Structural agilities

Structural agilities are those made to the organization's structure that might originate from internal or external factors (Pan & Xu, 2022). Structural agilities include the organization's hierarchy, chain of command, management systems, and administrative procedures. Conditions that necessitate structural agility include mergers and acquisitions, abilities in the market, job duplication, and policy abilities. According to Gong & Lin (2022), there are three types of abilities in the organization structure. They are transactional, transitional, and transformational. Transactional agilities only need minor interventions, for example, training or changing the incentive system, or switching software. Transitional agility is more complex and requires agility in roles/responsibilities, power bases, and systems. An example of this kind of agility could be opening a new plant in another location, where more detailed planning and expertise is needed. To adapt to global business demand, transformational agility requires redesigning the entire organization, especially the fundamental beliefs, and norms.

Technology agility

Technological agility is an increase in the efficiency of a product or process that increases output, without an increase in input (Cascio & Narayan, 2022). The technology needs of a small company exists in an almost constant state of flux, adapting and changing based on business demands and advancements in the industry. Almost every business in the contemporary environment relies on technology at every level of its activities.

Table 2. Meta-Analysis of Reviewed Literature

	Variable (Antecedents of Change Management)	**Reviewed Literature**
1	Strategic Change	(Pettit et al., 2023)
2	Structural Change	(Andriansyah et al., 2023)
3	Technology Change	(Gunawan et al., 2022)
4	Employee Performance	(Lin, 2019)

Empirical Literature Review:

Relationship of Strategic Agility and Organization Performance

When commercial banks in Burundi make agilities to their visions and objectives, consider the culture and behaviors of the organization before making agilities, and make agilities with the intent of meeting customer demands, it is most likely that organization performance will improve too. Significant Relationship of Strategic Agility with Organization Performance.

Relationship between Structural Agility and Organizational Performance

Structural agilities are those agilities made to the organization's structure that might stem from internal or external factors and typically affect how the company is run. Structural agilities include things such as the organization's hierarchy, chain of command, management systems, job structure, and administrative procedures. Also evident is the relationship of structural agility with organizational performance.

Relationship of Technology Agility and Organization Performance

Technological agility and its impact on the workforce have become a focus of attention all over the world. However, there are conflicting views about the implications of changing technology for employment. Some experts say that the pace of technological agility is accelerating and that thousands of workers in plants and offices are affected as labor-saving innovations are diffused more widely. A significant relationship between technology agility with organization performance.

Agility Management effect on organization performance

Several studies related to organizational agility on organization performance have been done by different researchers. On the impact of organizational agility on organization performance in the service sector descriptive statistics and correlation analysis techniques. The study found that organizational agility has a positive significant impact on an organization's performance in the service sector. Conducted a study on the effect of organizational agility on an organization's performance. The key findings of the study discovered that the management had not created opportunities for organizations to participate. Organizations felt left out in the decision-making process which contributed to their demotivation. Conducted a study on the impact of organizational agility on organizational performance. The findings of the study revealed that organizational agility had a considerable effect on organizational performance from among the genders, departments, and designations. The study concluded that creating a positive attitude and practice leads to improved performance in an organization.

Conducted a study on the impact of organizational agility on organization Performance in the service sector. Questionnaires were used for primary data collection. The study used descriptive statistics and correlation analysis techniques for the analysis of data. The results showed that organizational agility had a positive significant impact on an organization's performance in the service sector. Developed and tested a model of how organizational structure influences organizational performance. Organizational structure was conceptualized as the decision-making structure among a group of individuals. The empirical setting was over 150,000 stock-picking decisions made by 609 mutual funds. The findings suggested that organizational structure has relevant and predictable effects on a wide range of organizational performance. Investigated the relationship between organizational structure and performance, especially through organizational administrations and innovation, based on evidence from Austria and China. Based on the literature and hypothesis, a theoretical, conceptual, and structural equation model was set up through a questionnaire survey and sample of about 90 Austrian and 71 Chinese samples. Partial least squares were used in the analysis and the results are tested by bootstrap methods.

Using a random sampling technique, he argued that the broader the agility, the more organizations are exposed to agility and the more their performance is affected. More extensive agilities could generate greater feedback effects as well as feelings of unfairness and injustice, which are harder to overcome for both organizations and organizations. The broader the agility, the more significant the perception of agility is likely to be and hence the greater the impact on organizational performance. In his qualitative study to determine the effect of organization structure agility on organization performance found that organizational agility such as the acquisition of the company will create a variety of communication problems that threaten not only the organization's performance but also the success of the communication from the top to bottom of the organizations. In a study that investigated the influence of strategic agility management practices at Coca-Cola Company in Kenya, revealed that incompatibility of the new agility with existing organizational structure, information technological innovations, political interference, social factors, and consumer behavior were among the key challenges faced by the company. The study used the three-step theory of agility, force field analysis theory, and Kanter model of agility management and was conducted through a case study. Carried out a study on the outcomes of planned organizational agility in Nigerian public sector education institutions. The paper discovered that reforms are easy to formulate but difficult to implement and accompanied by resistance from people.

Table 2. Antecedents of Change Management

	Antecedents	Reviewed Literature
1	Strategic Change and Employee Performance	(Chummun & Nleya, 2023)
2	Structural Change and Employee Performance	(Qalati et al., 2022)
3	Technology Change and Employee Performance	(Adeniji et al., 2018)
4	Change Management and Employee Performance	(Akunne & Ibrahim, 2021)

Conclusion

Based on the different analyses done that the objectives of this study need and the main findings of this research conclusions are presented as follows: The study examines the effects of agility management practices in the case of Siinqee Banks at Guji Zone, Oromia by investigating the effect each determinant factor (strategic agility, structural agility, technology agility, and leadership agility) on the organization performance. Conclusions and generalizations are guided by inferential statistics. On organizational performance, the study concluded that although the general average performance of the study area was good, there were wide discrepancies in other banks' performance that required to be addressed. On strategic agility, a conclusion was reached based on the Pearson Correlation Analysis that strategic agility was significantly, strongly, and positively related to organizational performance. Further, the regression analysis results informed a conclusion that strategic agility was a statistically significant predictor of organizational performance. It was concluded that the model of strategic agility in the organization was widely effective in achieving organizational goals. Regarding structural agility, the Pearson correlation analysis results led to the conclusion that structural agility has a positive and statistically significant relationship with organizational performance. Multiple regression analysis results informed a conclusion that structural agility was a statistically significant predictor of organizational performance. Notably, of all other change management practices, structural agility was found to have the second largest influence on organizational performance after communication. The Pearson correlation analysis results informed a conclusion that technology agility as an agility management practice has a very strong, positive relationship with organizational performance. Further, regression analysis results led to the conclusion that technology agility has a positive and statistically significant effect on organizational performance. Notably, technology agility yielded the highest effect on organizational performance. The Pearson correlation analysis informed a conclusion that leadership agility has a strong, positive, and statistically significant relationship with organizational performance. Multiple linear regression analysis results informed a conclusion that leadership has a positive influence on the performance of banks. Generally, the banks had largely established an effective leadership agility practice to guide agility initiatives.

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