



A Study on Impact of Organizational Agility on Organizational Performance with reference to Hospitality Sector in India

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Abstract

The business landscape could be drastically altered in a matter of days by unexpected global events, the globalisation of business, unprecedented technological changes, shifting consumer demands, shifting workplace norms, the rising frequency of climate change-related natural disasters, and any one of a number of other important factors. The business world is unpredictable. Businesses that use an agile framework are better able to handle uncertainty and successfully change with the times. Additionally, firms that follow agile concepts are more likely to be innovative than those that don't. Business executives are aware that innovation is essential to maintaining a competitive edge over the long haul. The researchers have collected the data from 400 respondents using survey method with the help of well-structured questionnaire. The researcher identified that descriptive research design and Non probability convenience sampling method is suitable for the research study. The findings of this study will be useful to many companies to sustain in the competitive world.

Keywords: Organization agility, Organization performance, Hospitality sector, Innovation technology, Information technology, Human resource technology etc.

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Introduction

Ability of a business system to rapidly respond to change by adapting its initial stable configuration is called as organization agility, Stormier et al. (2005). According to a 2017 Deloitte Global Human Capital Trends Report that polled more than 10,000 HR and business leaders from 140 countries, agility and collaboration are crucial to an organization's success, according to 94% of respondents.

Importance of Organizational Agility

Agile businesses frequently gain from:

- Greater adherence to the team's purpose and vision inside the company
- Increased awareness of the interests and needs of customers
- A deeper understanding of market dynamics



Strategies for Organizational Agility

1. Modifying the organization's culture

Any significant change requires the right mindset, and this is also true when you begin the process of creating organisational agility. Since the procedure needs to start with the top management, it should be carried out in a way that the entire company will support it.

2. Recognizing the Need for Multiple Agile Approaches

There is no doubting that businesses must have a variety of Agile project management strategies at their disposal. Such a posture may contribute to more operational freedom within the business. Each project or product should have its own specifications, and the firm management should acknowledge that this is not a situation where a one-size-fits-all approach can be used.

3. Give Employees Power

Everyone inside the organisation must be capable of achieving true agility if the company is to succeed. And in order to accomplish that, the business must instil in its staff a sense of organisational agility. Professionals should be hired based on their experience & knowledge across a variety of different projects when it comes to the acquisition of talent. Agile skills training should be included as well to support employee learning and development.

4. Consistently Inspect & Adapt

Teams with high levels of agility have long understood that small-scale advances are frequently considerably more advantageous than large-scale ones. Teams should therefore have the authority to decide how the project is to be managed. This means that in order to improve decision-making, bureaucracy must be eliminated at all costs.

Challenges to Organizational Agility

1. Administrative

Employees are frequently motivated to achieve individual, team, or functional goals in non-agile organisations without realising how doing so advances organisational goals or even whether other projects of a similar nature are ongoing concurrently throughout the business. In the end, this strategy leads to a lack of cross-functional collaboration and missed efficiency.

2. Organizational opposition

There is a saying that goes, "If there is no resistance, change is probably not happening." Organizations will encounter some level of resistance during any change effort; the objective is to reduce the amount of resistance.

3. Making decisions quickly

The capacity to recognise opportunities and dangers and formulate an action plan rapidly is one of the key elements of organisational agility. However, access to timely and accurate information, the number of layers of hierarchy involved, and the presence of a risk-averse culture are frequently linked to how quickly decisions are made in organizations.

4. Errant business procedures

How effectively an organization's goals connect with its process management is referred to as business-process alignment. Activities related to process management and strategy should interact and share information. Decision-makers use process-management activities and metrics to monitor target progress and pinpoint areas that require strategic adjustments.

5. Poorly managed knowledge

Utilizing a defined process, knowledge management enables information and knowledge to reach the appropriate individuals at the appropriate time, enabling them to act more quickly and effectively to identify, comprehend, share, and use knowledge to add value.



Literature Review

The ability of an organisation to modify its internal structures and procedures in a planned reaction to environmental changes is referred to as organisational flexibility. Flexibility emphasises the availability of organisational resources and the simplicity of use, whereas adaptability underscores the fit of organisational processes to their environment. Flexibility and adaptability are both included in the "agility" idea. The term "agile" was first used in the manufacturing industry, specifically in reference to flexible manufacturing processes (Christopher & Towill, 2001). The idea of agility is novel in modern administrative thought. The capabilities required to accomplish light mobility in the organisation are how one author defined the process of agility (Sherehiy, 2008). The capacity for agility is the capacity to adjust to unforeseen developments quickly and profitably (Erande & Verma, 2008).

According to Nejatian, Zarei, Nejati, and Zanjirchi (2018), organisational agility refers to a company's dynamic capabilities that serve as screening or funnelling processes or routines for unforeseen changes in the market or industry. In terms of their internal structures, procedures, systems, and industry standards, businesses can therefore exhibit a certain level of organisational agility (Harraf, Wanasika, Tate, & Talbott, 2015). Accordingly, organisational agility has a wide range of components, including an agile workforce, an agile supply chain, an agile customer base, and an agile services offering (Breu,

Hemingway, Strathern, & Bridger, 2012; Zainal, Yousuf, & Salloum, 2020).

According to Arbussa et al. (2017), the perception of environmental turmoil includes uncertainty and volatility brought on by quick technological advancements and market-leading changes as a result of unforeseen market demands, consumer preferences, competitive work, new technologies, distribution, and unforeseen developments. Because it is challenging to predict a volatile environment in advance, firms must act quickly to stay competitive (Haider et al., 2020). Strategic inventiveness, or the capacity to effortlessly and swiftly identify market opportunities, is thus regarded as a crucial prelude to company success (Ivory et al., 2018), and it has attracted a lot of attention from the academic and medical communities. The necessity for companies to adapt to rapid climate change has been highlighted by a number of complimentary factors, such as strategy flexibility, resilience, adaptability, and absorption capacity (Lungu, 2020).

Agility is the capacity of management to use sound information in a changing and uncertain business environment, allowing the organisation to thrive. In other words, agility is the capacity to adapt to unforeseen changes as well as deliberate action based on knowledge management (Dove, 1999). Utilizing information and virtual structures to take advantage of opportunities in a changing market environment is what is meant by organisational agility (Naylor et al., 1999). According to Erandena and Verma (2008), organisational agility is the capacity to adjust to unforeseen changes quickly and profitably.

Research Methodology

Objectives of the study

1. To study the concept of organization agility.
2. To study the impact of organization agility dimensions on organization performance.
3. To study the impact of overall organization agility on organization performance.



Hypothesis of the Study

- H1: There is a significant impact of overall organization agility on organizational performance.
H2: There is a significant impact of Human resource agility on organizational performance.
H3: There is a significant impact of information technology agility on organizational performance.
H4: There is a significant impact of innovation agility on organizational performance.

Scope of the study

- The study is conducted across Pune City.
- The study is related to on hospitality industry.

Following methodology was designed for the study to collect primary data.

- a. Identify a sample of 400 employees from hospitality sector in Pune City, using convenience sampling.
- b. Design and validate questionnaire
- c. Seek responses on a 5-point frequency scale.
- d. Conduct the survey
- e. Summarize the responses
- f. Analyze the results

Scheme formed for testing of hypotheses

- a. Responses were collected under 2 sections
- b. For each of the sections an average was calculated.
- c. Percentages to questions under a particular section of the questionnaire were averaged to get a single score for that section,
- d. P-values were calculated, and the null hypotheses were checked for rejection or non-rejection.

Reliability and Validity

The researcher has carried out reliability test using SPSS. The Cronbach's Alpha identified is 0.790, and it is more than 0.700, that's why the Questionnaire is measured to be reliable. The researcher has used face validity and content validity and confirmed that this research tool is valid for the study.

Research design

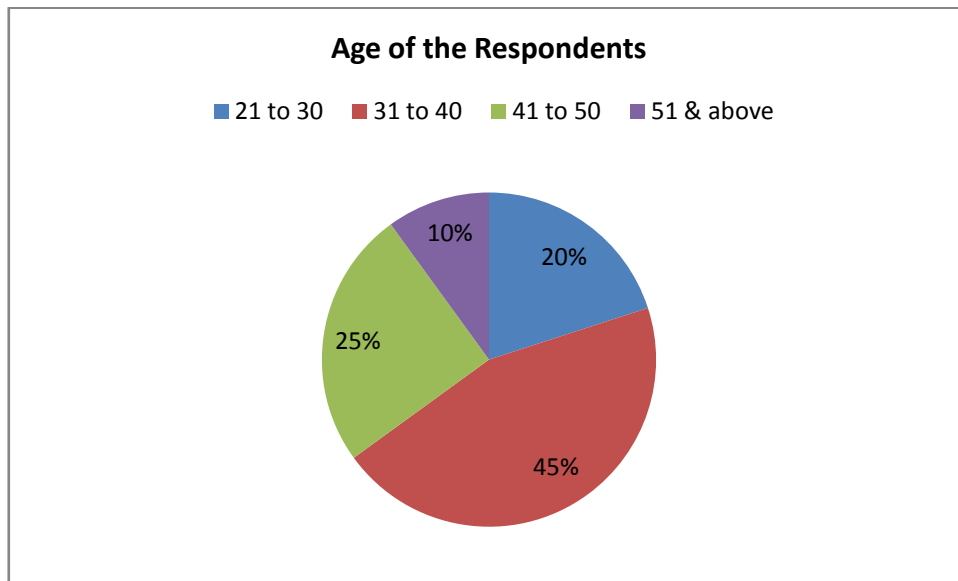
Data	Type of Research Design	Descriptive Research Design
	Sampling Technique	Non-Probability Convenience Sampling
	Sampling Area	Pune City
	Sample Size	400
	Primary Data	Well-structured questionnaire
	Secondary Data	Research papers, Articles, Books, Journals etc.
	Data Analysis tools	IBM SPSS-20 and Ms Excel-2010



Analysis

Age of the Respondents

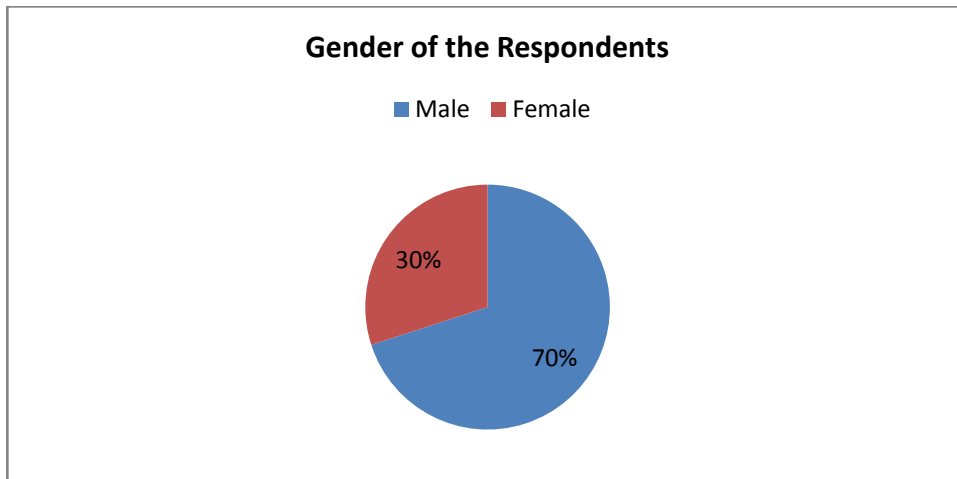
Age	Frequency	Percentage
21 to 30	80	40
31 to 40	180	90
41 to 50	100	50
51 & above	40	20
Total	400	100



Gender of the Respondents

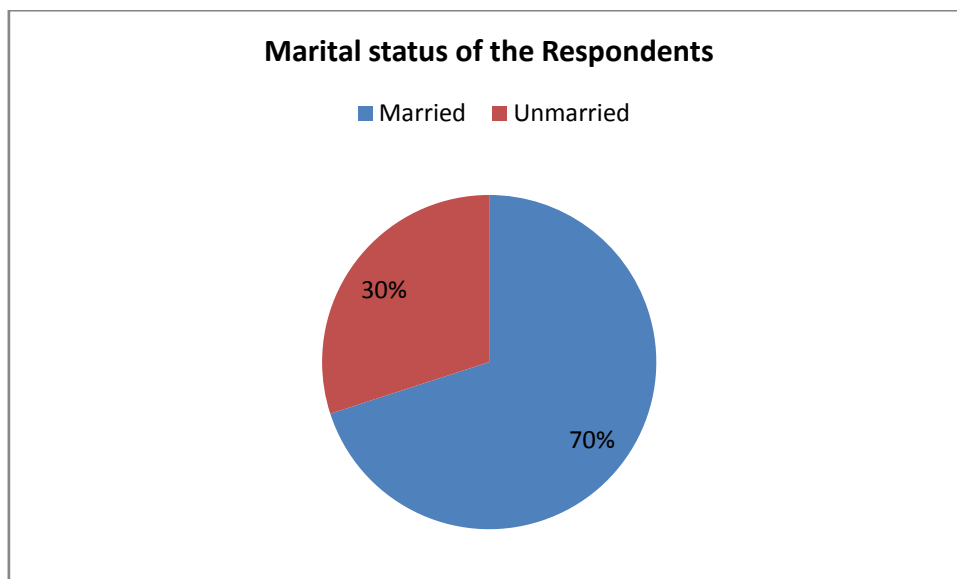
Gender	Frequency	Percentage
Male	280	70
Female	120	30
Total	400	100





Marital status of the Respondents

Marital Status	Frequency	Percentage
Married	280	70
Unmarried	120	30
Total	400	100

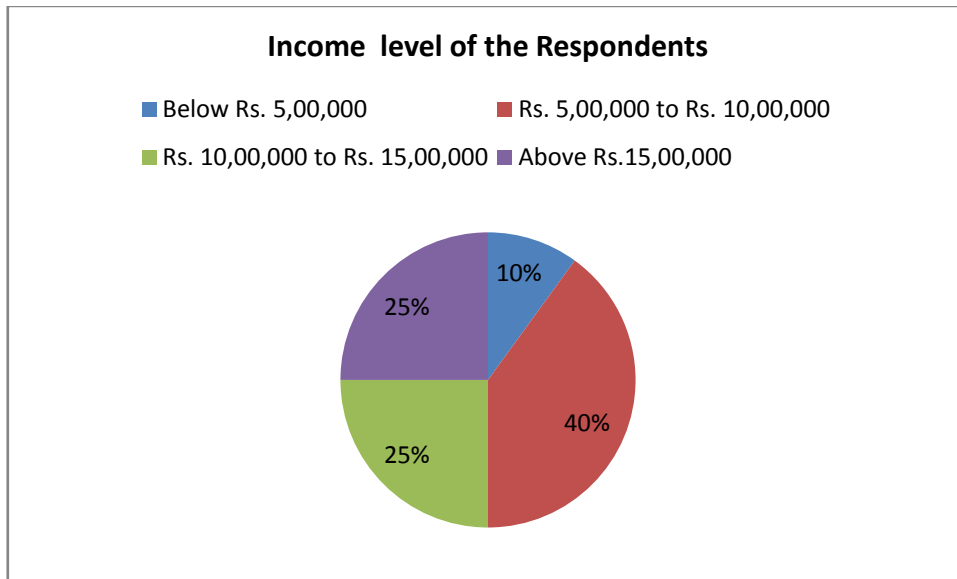


Income level of the Respondents

Income	Frequency	Percentage
Below Rs. 5,00,000	40	10
Rs. 5,00,000 to Rs. 10,00,000	160	40

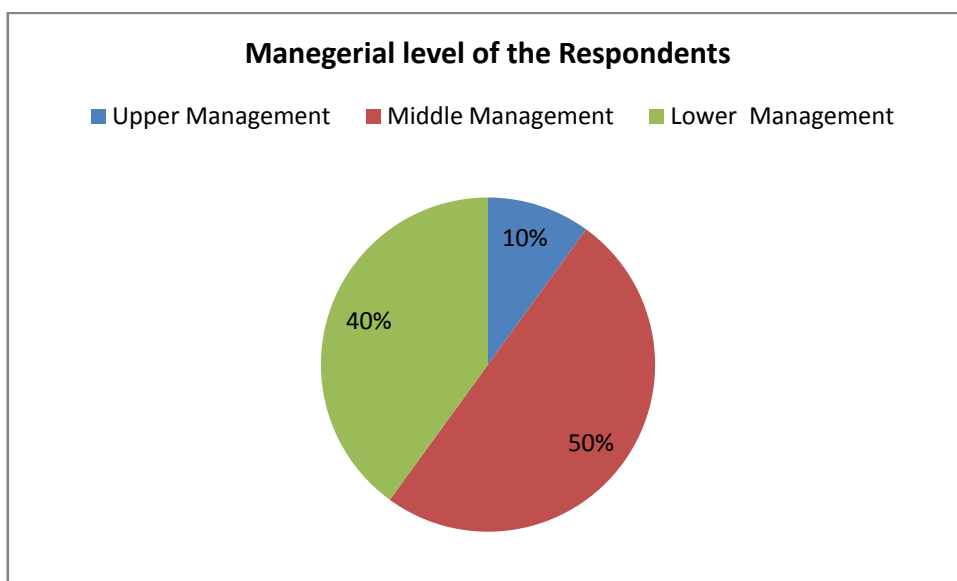


Rs. 10,00,000 to Rs. 15,00,000	100	25
Above Rs.15,00,000	100	25
Total	400	100



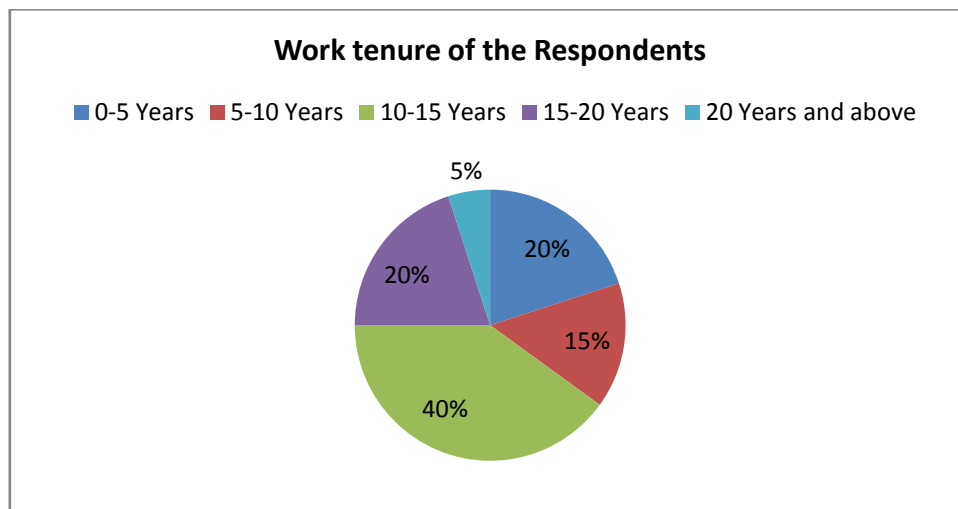
Managerial level of the Respondents

Managerial Level	Frequency	Percentage
Upper Management	40	10
Middle Management	200	50
Lower Management	160	40
Total	400	100



Work tenure of the Respondents

Work Tenure	Frequency	Percentage
0-5 Years	80	20
5-10 Years	60	15
10-15 Years	160	40
15-20 Years	80	20
20 Years and above	20	5
Total	400	100



Impact of Organization Agility Dimensions on Organization Performance

Measurement tool

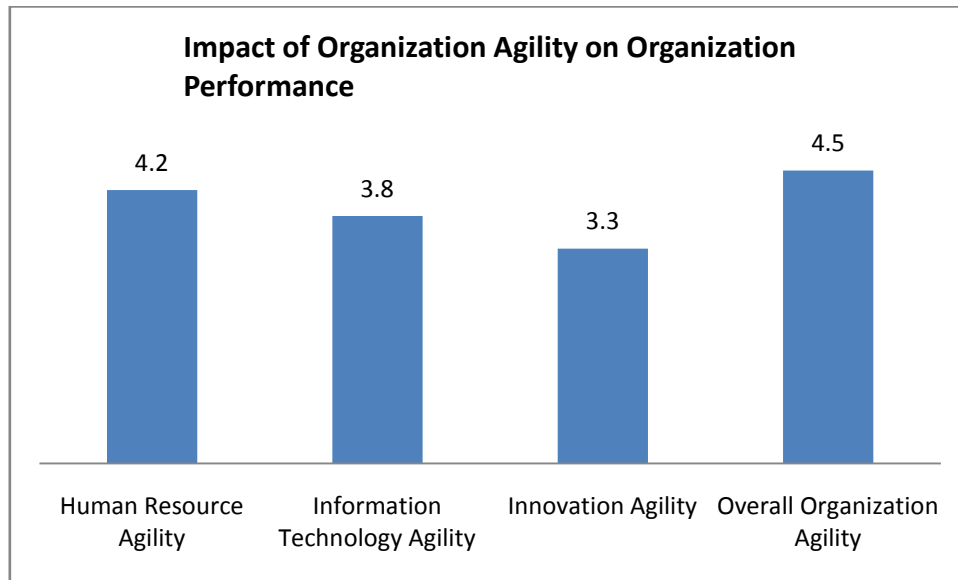
1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Organization Agility Dimensions	Mean	sd	Degree of Agreement
Human Resource Agility	4.2	0.48	High
Information Technology Agility	3.8	0.62	Moderate
Innovation Agility	3.3	0.65	Moderate

Impact of overall Organization Agility on Organization Performance

Organization Agility	4.5	0.36	High
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Hypothesis Testing

Organization Agility Dimensions	β	T	Sig	Hypothesis
Human Resource Agility	354	0.922	0.001	Accepted
Information Technology Agility	0.286	0.842	0.002	Accepted
Innovation Agility	0.216	0.794	0.001	Accepted

	β	T	Sig	Hypothesis
Organization Agility	0.594	0.746	0.01	Accepted

It is observed that there is a significant impact of overall organization agility on organizational performance as the p value observed is 0.01, so we can say H1 is accepted at 5% significant level.

It is observed that there is a significant impact of human resource agility on organizational performance as the p value observed is 0.001, so we can say H2 is accepted at 5% significant level.

It is observed that there is a significant impact of information technology agility on organizational performance as the p value observed is 0.002, so we can say H3 is accepted at 5% significant level.

It is observed that there is a significant impact of innovation agility on organizational

performance as the p value observed is 0.001, so we can say H4 is accepted at 5% significant level.

Conclusion

From the present research study it is observed that there is a significant impact of organization agility dimensions and overall organization agility on organization performance of hospitality sector in Pune city.

Contribution to Industry

This research study will be helpful to hospitality sector to design new strategies related to organization agility and its dimensions which will be beneficial to improve organizational performance.

Contribution to Academicians



This research study will be helpful to academicians to develop theoretical models related to organization agility and its dimensions.

Contribution to Students

This research study will be helpful to students to understand the concepts like organization agility and its dimensions, scenario of hospitality sector etc

Scope for the further research study

There is also a further scope for the research on the topics like organization resilience, role of technology in organization etc.

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