

PERCEPTION OF THE TERM ENTERPRISE AGILITY BY BUSINESS MANAGERS

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Abstract

The ability to respond in a timely and effective manner to unexpected changes in the environment of enterprises has become a prerequisite for successful coping with the corona crisis period as well as the significant increase in the prices of production inputs in recent years. This ability is referred to as business agility. The aim of this paper is to present partial results of primary research in which it was investigated how the term of enterprise agility is perceived by managers of Slovak enterprises and whether they are familiar with this concept and its meaning.

Keywords: *enterprise agility, perception of terms, business manager, semantic differential*

1. INTRODUCTION

In today's dynamic and unpredictable environment, the enterprise agility concept is key to maintaining competitiveness and success. The present is characterized by rapid technological innovations, changing market conditions and growing competitive pressure, global challenges whether in the form of a pandemic, climate change or geopolitical tension. The necessity to manage these changes requires an agile approach from companies. The entrepreneurship in the past was carried out in stable and predictable conditions. Today's market is characterized by the fact that everything must be done faster, with more flexibility, which is where the interest of agility comes from. Not only large companies need to be more agile to survive (Widjajani and Nurjaman, 2020).

The agility is an increasingly used term in the current business world. It connects with strategy and leadership, processes, way of working, culture, technology, etc. All definitions of agility include and combine their concepts such as permanent changes, flexibility, adaptation, innovative, resilience, and competitive advantage. An agile organization is internally oriented (with a high level of vigilance about the coordination of the various agility categories) and externally oriented (with a high level of focusing on environmental changes and the impact on the competitive market) (Walter, 2021). According to Business Agility Report (2023), benefits of agility are mainly increasing business and financial outcomes, customer satisfaction and adaptability to change. The importance and benefits of agility are highlighted in terms of delivery of business value, reduce the overall risk (Shankarmani et al., 2012); improving business performance (Yang and Liu, 2012; Troise et al., 2022; Zhu and Gao, 2021); ability to quickly identify market opportunities and threats (Trzcieliński and Trzcieliński, 2018). The proof of the importance of the given term is the number of papers devoted to the topic. When entering the keyword "agility" in the Web of Science (WOS) database, we get a total of 18,196 outputs (June 2024). From the point of view of publication years, this is an annual increase, only in 2023 a slight decrease is recorded (from 1,729 outputs in 2022 to 1,558 outputs in 2023).

Several authors have been working on the issue of agility for a long time. The literature lists several types of agility, from general concepts such as enterprise agility, business agility, organizational agility, to agility linked to specific areas, e.g. strategic agility, learning agility, leadership agility, customer agility, etc. Taking a closer look at business and enterprise agility, in the first case the occurrence of publications related to "business agility" is 306 outputs in the WOS database (the author Luftman, who deals with key information technology and management issues in connection with business agility, has the most outputs). When entering the topic "enterprise agility", the database contains 195 results (the author Liu, H.M. has the most outputs in his works dealing with agility in relation to interfirm partnership quality).

Enterprise agility and business agility are very close and often confused terms. According to Yang and Liu (2012), enterprise agility “representing a firm's capability to detect external unanticipated changes and opportunities as well as threats, and then to reconfigure, assemble, and exploit its own resources, processes, knowledge, and relationships in order to respond quickly to external changes”. In other words, enterprise agility is a complex, multidimensional, and context-specific concept, comprised of the ability to sense environmental change and quickly respond to unpredicted change by flexibly assembling resources, processes, knowledge, and capabilities (Yang and Liu, 2012). Business agility is understood as “the ability to swiftly and easily change businesses and business processes beyond the normal level of flexibility to effectively manage unpredictable external and internal changes” (Van Oosterhout et al., 2006). Many authors use these terms as synonyms, but it is possible to state that there are slight differences between the mentioned terms.

Today's business environment is characterized by unpredictable and rapid changes. To adapt to this scenario, organizations must adopt an agile management model. This model is based on principles such as cooperation, flexibility and adaptation (Soares Galvão Junior et al., 2024). According to Christopher and Towill (2000, p. 206), flexibility is a key characteristic of an agile organization. Here it is important to approach and explain related terms and concepts which are often confused. These are sometimes mentioned also as components of agility. The component of agility is considered as an essential aspect and is often mentioned in various sources related to organizational agility and business management. There is no single definitive source that encompasses all these components. Alberts (2011, p. 204) in his work indicates six components: responsiveness, versatility (sometimes referred as robustness), flexibility, resilience, innovativeness, and adaptability. As he further stated understanding the importance of each component as well as the relationships between them is key to achieving agility. Table 1 shows the individual components and their explanation.

Components	Characteristics
Responsiveness	Relates to the time and it takes to recognize and respond to a change or anticipated change in circumstances. A change in circumstances may either represent a stress that can adversely affect the ability of an entity to perform or an opportunity that an entity can seize upon to improve performance of effectiveness or maintain performance or effectiveness at a lower cost and/or with less risk.
Versatility (robustness)	Permits the entity to achieve an acceptable level of performance or effectiveness in accomplishing the new or significantly altered task or mission. Robustness refers only to changes in missions or task, as well as a catch-all – circumstances.
Flexibility	Permits the entity to try another response instead of having to stick with an ineffectual, infeasible, or pre-empted response. There are many examples of flexibility in the context of equipment, systems, processes, and organization.
Resilience	Provides an entity with the ability to repair, replace, patch, or otherwise reconstitute lost capacity or performance, at least in part and over time, from misfortune, damage, or a destabilizing perturbation in the environment.
Innovativeness	Permits the entity to generate or developed a new tactic or way of accomplishing something – a discovery or invention.
Adaptability	Permits an entity to change itself, that is, to change its organization, processes, and/or structure to become better suited for the challenge.

Table 1. Components of agility and its characteristics

Source: Alberts, 2011.

In contrast to other concepts such as flexibility, agility refers to the ability of a firm to adapt swiftly to changing environments. Thus, agility can be defined as the ability to sense and respond to opportunities and threats in an efficient, effective, and timely manner. Consequently, agility is crucial for firms, especially in volatile environments, to stay competitive (Whaiduzzaman et al., 2014). Another term with which the term agility is often confused is adaptability. Agility and adaptability are two related concepts that relate to the ability of organizations and individuals to respond to change, yet they have slightly different meanings. Agility is often proactive (focused on responding quickly and anticipating change), while adaptability is more reactive (focused on adapting to changes already underway). Agility emphasizes speed and flexibility in changing a set direction, while adaptability emphasizes resilience and long-term adaptation to new conditions. Agile organizations often seek new and innovative solutions, while adaptive organizations focus on learning and acquiring new skills to cope with change (Denning, 2018; Sutherland, 2014; Holbeche, 2015).

There are many scientific and theoretical publications as well as researches on the given topic. However, it remains questionable how the concept of agility is perceived in practice. Human resource management requires more and more creativity and agility, because it should assume the correct use of the potential of employees in turbulent internal and external conditions (Kocot et al., 2023). According to Suareas et al. (2024), in the context of agility skills, organizations should invest in participative leadership, motivation and employee engagement. Motivation and engagement must be stimulated through participative leadership and creating an environment where employees feel valued and have autonomy. Organizational maturity must be developed through clear strategic planning and the development of skills that support an agile culture. Managers actually perform managerial activities and introduce and apply agile principles in many companies, but they do not know that it is about building agility in the company. The aim of the paper is to present the findings to what extent practical managers in the Slovak Republic know the term agility, how they perceive this term and whether they distinguish between adaptability and agility of the enterprise.

2. MATERIALS AND METHODS

The paper deals with the term of enterprise agility on the sample of Slovak companies. The primary research was carried out in the form of a questionnaire survey and structured interviews with company managers. The purpose of the research was to find out how companies managed the pandemic period and at the same time to what extent they are agile. Part of the research questions were also questions aimed at finding out the knowledge and perception of the enterprise agility concept by managers, which is the main aim of the presented paper. Companies with the main activity of production and provision of services were approached through a questionnaire survey via e-mail. From the database of the survey, a deliberate selection of representative companies of the industrial production was carried out for conducting interviews (93 respondents). The research was carried out in the period 2023-2024. As for the knowledge of the concept of agility investigated by a questionnaire survey, the research sample consisted of 277 respondents.

The method of semantic differential was used to determine the perception of concepts. According to Stoklasa et al. (2019), "the semantic differential is a tool for the extraction of attitudes of respondents towards given objects or of the connotative meaning of concepts". In addition to the denotative (obvious, generally valid) meaning, each term also has a connotative (hidden, subjective) meaning. The author of the semantic differential method is Charles Osgood. Semantic differential is a standardized method, but it can be modified as needed. The original semantic differential created by Ch. Osgood consists of 50 bipolar seven-point scales for assessing the studied concepts (Gavora et al., 2010). The procedure of the method is according to Gavora et al. (2010) as follows: selection of related terms for evaluation, determination of the number of scale levels (7, 5 or 3 levels), selection of suitable bipolar adjectives (possibility of dividing them into dimensions), arrangement of adjectives into a bipolar scale and evaluation.

In our research, 10 bipolar pairs representing the characteristics of agility and adaptability on the one hand and their opposites, i.e. the characteristics of a traditional non-agile company on the other hand,

were compiled. In the question, the respondents had to indicate on a scale of 1-5 the direction towards the expression that, according to them, describes the given concept - is its characteristic feature (1 – completely describes the expression on the left side, 5 – completely describes the expression on the right side). Individual items are presented in Table 2.

	1	2	3	4	5
1. speed					slowness
2. freedom					control
3. cooperation					individualism
4. innovation					conventionality
5. adaptability					standardization
6. openness					closedness
7. improvement					status quo
8. proactivity					reactivity
9. dynamic					static
10. autonomy					bureaucracy

Table 2. Bipolar pairs in terms of agility and adaptability

Source: Own processing.

The semantic differential can be evaluated by various mathematical and statistical methods. Examples are mean values such as arithmetic mean, median, standard deviation, coefficient of variation or D-statistics (Gavora et al., 2010). The results presented in this paper were evaluated by the average values of individual items (arithmetic mean and median).

3. RESULTS

When examining the concept of agility, at first, it was necessary to find out how the respondents know the given concept. The results (Figure 1) show that 43% of managers not only know the term, but also know what it means. Nearly 33% of managers are familiar with the term, but do not know what exactly the given term means. Up to 24% of the managers of the analysed companies had not even encountered the term.

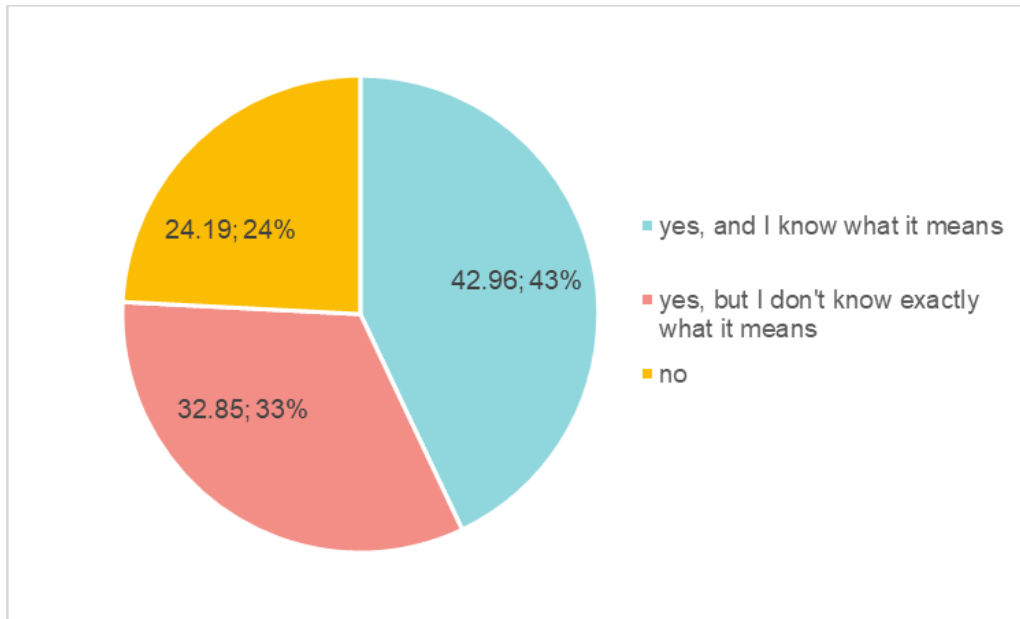


Fig. 1. Encounter with the concept of agility

Source: Own processing.

As we mentioned in the Material and methods section, we used Osgod's method in relation to the perception of concepts. Tables 3 and 4 show the values (average and median) assigned to the perception of the terms agility and adaptability for each of the 10 investigated items - bipolar pairs.

Items		Agility	
		Average	Median
1.	speed-slowness	1.67	1
2.	freedom-control	2.63	3
3.	cooperation-individualism	2.24	2
4.	innovation-conventionality	1.75	2
5.	adaptability-standardization	1.70	1
6.	openness-closedness	1.85	2
7.	improvement-status quo	1.65	1
8.	proactivity-reactivity	1.72	1
9.	dynamic - static	1.68	1
10.	autonomy - bureaucracy	2.09	2

Table 3. Perception evaluation of the agility concept

Source: Own processing.

	Items	Adaptability	
		Average	Median
1.	speed-slowness	2.58	3
2.	freedom-control	2.83	3
3.	cooperation-individualism	2.63	3
4.	innovation-conventionality	2.40	2
5.	adaptability-standardization	1.53	1
6.	openness-closedness	2.48	2
7.	improvement-status quo	2.11	2
8.	proactivity-reactivity	2.96	3
9.	dynamic - static	2.55	3
10.	autonomy - bureaucracy	2.73	3

Table 4. Perception evaluation of the adaptability concept

Source: Own processing.

When perceiving the concept of agility, managers were strongly inclined towards adjectives more characteristic of agile management. In the comparison of individual pairs, managers perceive the agility term the most with the concepts of improvement (1.65), speed (1.67), dynamic (1.68), adaptability (1.70) and proactivity (1.72). In the evaluation of the items with a median, the mentioned items reached the value of 1. Only one item, namely freedom, was rated on average at the level of 2.63 (median = 3), which means that on a scale of 1-5 the given term is rated neutral on the established scale.

The perception of the adaptability reaches different values in comparison with the previous term. Managers assigned an average value of 1.53 to the concept of adaptability itself. In other cases, the average values are close to level 2 and at most to level 3. The results indicate that adaptability is most perceived by the terms improvement (2.11) and innovation (2.40). In no case was the concept (similarly to agility) rated at level 4 and 5.

Based on the results presented in Tables 2 and 3, we can say that the managers of the analyzed companies do not perceive the concepts of agility and adaptability in the same way. The given results are better displayed in Figure 2, where the differences in the perception of concepts are outlined for individual items - bipolar pairs.

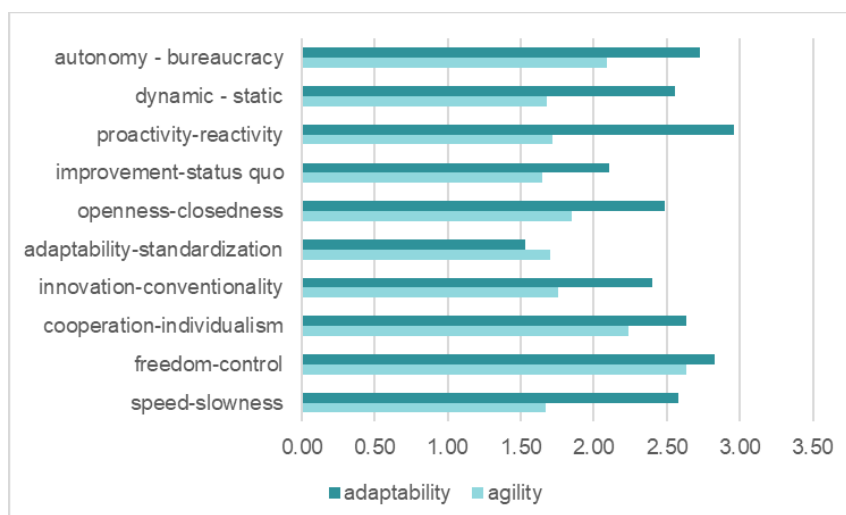


Fig. 2. Comparison of the perception of the terms - agility and adaptability (average values)

Source: Own processing.

4. DISCUSSION AND CONCLUSIONS

Many studies indicate the importance and significance of business agility for successful operation in today's dynamic business environment. In professional terminology, it is possible to meet the term business or enterprise agility. We can state that the term business agility is used more often in the WOS database, but these terms are often considered synonyms. From our point of view, however, we perceive slight differences between the mentioned terms, while we perceive enterprise agility as a more complex area. Many similar terms are associated with agility (and sometimes confused in practice). Most often it is about adaptability and flexibility. We identify with the author Alberts (2011), who perceives these concepts as individual components of corporate agility. The perception of agility by managers in corporate practice, as well as its practical application, remains questionable.

The aim of the paper was to evaluate the extent to which managers in the analyzed Slovak companies know the agility term, how they perceive this term and whether they distinguish between adaptability and enterprise agility. Based on the results, we can positively assess that more than 40% of the managers of the analyzed companies know the concept and its essence. On the other hand, still quite a few managers (25%) have not encountered the given term. The reasons for ignorance can be seen either in managers' lack of interest in current trends, which came to the fore again at the time of the corona crisis, or simply in ignorance of the term itself, while managers can implement the essence and approaches of agility in the company. When comparing the perception of the concepts of agility and adaptability, it is clear that managers do not perceive the given concepts in the same way, so we can conclude that adaptability can be considered a component of a broader concept - agility.

The limitations of the paper and the subsequent future of the research are mainly in the form of expanding the sample of business managers in Slovakia and a possible comparison in the V4 countries. At the same time, the possibility of supplementing and exploring the related concept of flexibility.

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