The influence of agility on creating a competitive advantage and on company performance

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The changing conditions in which business enterprises operate have created new challenges for contemporary companies. These include the need for value creation in cooperation with customers, readiness to adapt to changes, as well as being able to rapidly respond to customers' needs. A company which is characterised by such features is referred to as agile and is treated as a new paradigm for a company [Trzcieliński, 2011]. The life-cycle of products is becoming shorter whereas their popularity tends to be greater. New technological solutions are constantly appearing and they result both in product innovation and in enhancements of the manufacturing process. The nature of these changes creates a need for new competitive weapons as flexibility alone is no longer sufficient [Fliender, Vokurka, 1995]. The aim of this paper is to present the concept of agility, and particularly its influence on creating a competitive advantage and, in consequence, on a company's performance. In the concept under discussion a competitive advantage can be identified through the attributes of agility, being the distinguishing features of companies which enable them to more rapidly, more skilfully and more efficiently respond to the opportunities which appear in the environment. This article has the form of an overview study and concentrates on the influence of agility on creating a competitive advantage and on company performance. The first part is based around the literature on the subject and presents the nature of the concept of agility as well as the attributes of an agile company, paying particular attention to the competences which make it possible to implement agility. An overview of the empirical studies presented in this paper conducted by international researchers indicates the significant influence of the concept of agility (including organisational solutions which enable faster, more flexible and more competent responses to unexpected changes in the environment) on achieving a competitive advantage and on company performance. Many authors emphasise the key role of the concept of agility and of agile practices on improving company performance. An inadequate business approach may result in companies' feeling insecure in the market, particularly when faced with market changes, fluctuating demand or new forms of competition. For many companies, their competitive advantage or even their survival may depend on their ability to react to frequent unexpected changes, including meeting specific customers' requirements. Success in this respect can be achieved through adopting agile practices and competences. In turbulent times, the power of a company depends on its proactive attitude, adaptability, flexibility, quick responses, intensive learning, and the capability to ensure strategic and effective actions [Meredith, Francis, 2000]. This dynamic ability can be described as “an organisation's aptitude for achieving a competitive advantage through intelligent, quick and proactive identification of opportunities and reactions to threats” [Bessant, Brown, Francis, Meredith, Kaplinsky 1999]. Manufacturing agility is a new manufacturing model, which is the result of changes in the environment [Goldman, Nagel 1993]. A. Gunasekaran defines agility as the ability to survive and cope in a competitive environment rife with unexpected changes, which requires quick and efficient responses to
market changes. In order to meet customers' requirements in a constantly changing market, a company must undertake swift actions aimed at maintaining its competitive advantage. Enterprises need to introduce innovation in the manufacturing process as well as information and communication technologies, which require a reorganisation of the company and new marketing strategies [Gunasekaran 1998]. An agile manufacturing process is characterised by six attributes [Meredith, Francis, 2000]: producing to order, as opposed to the traditional manufacturing process where large quantities of goods are produced and stored, meeting customers' specific needs, as opposed to the mass manufacturing process where goods are produced for the “average” customer, ensuring speed and flexibility in the manufacturing process, mobilizing and managing all kinds of knowledge intelligently in order to support an agility strategy, creating “virtual” projects and ad hoc organisations in order to utilise the requisite capabilities when necessary. In the last five years publications started to appear on this subject concerning empirical research aimed at analysing the influence of the concept of agility on company performance. The principal controversy in this respect is how to measure agility. Researchers who are involved in this area of study have still not been able to agree on the best method of measuring agility, and the measurements created so far are regarded simply as means which can contribute to developing a precise measurement tool. The studies conducted so far have been of an international nature, involving representatives from Taiwan, Nigeria, Jordan and Spain. Nigerian scholars demonstrated the impact of strategic agility on the perceived performance of manufacturing enterprises [Ofoegbu, Ayobami Akanbi, 2012]. A. Oyedijo conducted research into strategic agility and competitive performance in the Nigerian telecommunications industry [Oyedijo, 2012]. Ch. Yang and H. Liu conducted studies relating to improving a company’s performance through its agility and network structure [Yang, Liu, 2012]. The influence of agility on enterprise performance was also analysed by D. Vazques-Bustelo, L. Avella and E. Fernandez, whose aim was to verify whether manufacturing agility could be the key success factor in various industries [Vazques-Bustelo, Avella, Fernandez, 2007]. In the literature one can also find research into the role of agility skills and the practice of knowledge sharing as factors which help manufacturing companies retain a competitive advantage [Almahamid, Awwad, McAdams, 2010]. It is necessary to conduct further research into the influence of agility on creating a competitive advantage and on company performance. The research conducted so far has been very general and does not clearly indicate which aspects of agility in company operations can play a pivotal role in enhancing performance. On the basis of the findings from the research conducted to-date it seems advisable to further explore the impact of agility on the process of asset building and creating a clear competitive advantage. It would seem particularly useful to identify the organisational areas which, through the use of agility competences, can produce an improvement in a company's performance.