

Chapter 10

Critical Success Factors for Organizational Agility: Q-Study and the Place of IT

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ABSTRACT

Companies are facing important challenges related to markets' internationalization, regulatory restrictions, and fierce competition especially during the COVID-19 context. Environment is thus characterized by rapid and volatile changes. Organizational agility is the key capability allowing firms to adapt continuously by sensing changes in their environment and responding in an efficient and rapid manner. Previous work has addressed organizational agility enablers, including IT ones, allowing the firm to be more agile. In this chapter, the authors first extend their organizational agility enablers list through an in-depth analysis of consulting firms and governmental agencies reports on agility during the COVID-19 context. The final list contains 28 organizational agility enablers belonging to 10 groups. Then, the authors conduct a Q-study in order to identify what factors are critical for a successful journey towards agility and to analyze the results from an IT perspective.

DOI: 10.4018/978-1-7998-4799-1.ch010

INTRODUCTION

The 1980s has witnessed a downturn in the US economy. There were mainly two recessions in 1980 and 1982 due to the restrictive monetary policy of the Federal Reserve and the effects of the 2nd oil shock (1979). This has caused a slowdown in investment and an increase in the unemployment rate. These two recessions are the strongest after the Second World War (Brunner, 1983).

In this unfavourable economic context, traditional American industry suffered a severe crisis since 1980 due to competition from Europeans, Japanese and emerging Asian industrial countries.

In 1990, the American congress decided to carry out reforms. Thus, the United States Department of Defense has launched an investigation into the American industry to improve its competitiveness.

This is how the story of agility began in the United States as a new model to help revitalize American industry and regain its leadership lost in the 70s and 80s in favour of Japanese and European industries. The notion of agility therefore finds its origins in the military field as the ability to change actions over time (Richards, 1996). Indeed, a group of researchers from Lehigh University in Pennsylvania has been mandated by the United States Department of Defense to define a new strategy for American industry (Nagel & Dove, 1991). Thus, by observing the rate of the environment change, the researchers of the “IACOCCA institute” wrote a report entitled “21st Century Manufacturing Enterprise Strategy. An industry Led view of Agile Manufacturing” which aimed to develop a strategy to strengthen the competitiveness of American industry for the next 15 years (Nagel & Dove, 1991). This report was produced following the organization of a conference to discuss the economic future of the United States with more than 150 researchers. The term “Agile Manufacturing” thus appeared and an annual forum affiliated with Lehigh University was established (Agile Manufacturing Enterprise Forum (AMEF)). The purpose of this forum is to develop a vision of the agile approach, to assess the current state of implementation, to identify and prioritize the necessary changes in practices and related technologies, and to influence the Agile Manufacturing Research Program. In 1995, the results of this research were published in the book “Agile competitors and virtual organizations” (Goldman et al., 1995). The results of the report show that the classic organizational model does not allow companies to provide satisfactory answers to the demands of the post-industrial world characterized by an increasing importance of information and communication.

Indeed, they proposed a new strategy to meet these challenges. This strategy is based on the “Agile Manufacturing” concept driven by four forces: continuous change; quick response; continuous improvement and environmental responsibility. In order to achieve this vision, the company should have key characteristics (competent

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