

Failure of Organizational Agility Factors Influential on Provision of Services with Desired Quality for Customers (Case Study: Rasen Darman Company)

¹Amir Hossein Amirkhani, ²Sousan Toufani and ²Ali Toufani

¹Payame Nour University, Tehran, Iran

²Department of Management, Payame Nour University, Varamin Branch, Tehran, Iran

Abstract: The purpose of this research was identification of organizational agility factors influential on provision of services with desired quality to customers. The method of this research was descriptive and field study. For realization of this matter initially with attention to and review of texts and literature of the research, a questionnaire was formulated where its validity was confirmed by 4 university experts in the subject of organizational agility. For determination of its reliability, the Cronbach's alpha coefficient was calculated at 0/81. This questionnaire was distributed among 130 individuals from 196 directors, specialists and employees of the Rasen Darman Company who formed the research population. For data analysis, tests such as the K-S for determination of normalcy of the distribution of the statistical sample and the Pearson's correlation coefficient for identification of organizational agility factors influential on provision of services with desired quality for customers were used. Results showed that 4 main elements of organizational, strategic, technological and human factors of organizational agility have positive and direct influence on provision of services with desired quality to customers in the Rasen Darman Company.

Key words: Organizational agility, services with desired quality, Rasen Darman Company, technological services, Cronbach's alpha

INTRODUCTION

Agility refers to ability for rapid and successful responsiveness and reaction towards environmental changes. Similar to producers, other organizations and institutes are forced into seeking agility for competition in the 21st century. The reason is that modern organizations face increasing pressure for finding new ways for efficient competition in the dynamic global market. Agility promotes the ability of the organization in supplying products and services with high quality and therefore is an important factor in enterprise profitability. An agile organization does not simply fall from sudden events and changes. An agile organization is rapidly moving, adaptable and powerful and rapidly responds to sudden changes, new market opportunities and needs of customers. Agility can be defined as the rapid ability of an organization to respond to change in the market and customer demand. One of the objectives of an agile organization is creation of customer and employee satisfaction. In the opinion of Dolat Medley, the term agility represents speed and power of responsiveness at time of encountering internal and external organizational events. An agile organization is designed for understanding and predicting business environmental

changes. Among core factors that lead to creation and promotion of organizational agility we can mention awareness, flexibility and productivity.

An organization necessarily has capacity for responding to the trade environmental changes. Since, business situations in most companies are entangled with numerous unpredictable demands, rapid increase in agility is a necessity. Considering to the above mentioned, successive changes and changes in customer needs and appearance of powerful competitors have led organizational agility into being an important topic for creation of competitive advantage in the domain of health care in our country. The Rasen Darman Company also is active in the context of production and distribution of medical products and does not have rapid reaction for responding to the market and the directors of this company are endeavoring to increase the speed of reaction to market changes in the company and this effort is only realized with use of agility in all contexts that the company is active in. As a result, with consideration of the importance of the issue, in this research we will identify influential agility factors in provision of services with desired quality to customers in the Rasen Darman Company.

Theoretical framework

Agility: In the opinion by Sharifi and Zhang (1999) agility refers to the ability of any organization in direction taking, perception and prediction of changes in the work environment. Such an organization should be able to see factors that lead to growth and blossoming and identify environmental changes. They have defined concepts related to agility, advanced soft and hardware technology, inner organizational networks (intranets), empowerment of staff and working teams that agree are symmetric and concurrent and in another place, agility has been considered as the ability to gain victory over unexpected problems, confrontation with unforeseen threats in the work environment and acquisition of advantage and profiting from changes as sources of growth and blossoming (Sharifi and Zhang, 2001).

Based on the research literature, the definitions mentioned can be classified into two main approaches. The first approach has a very expansive and ambiguous meaning and includes all definitions and description of various actions and technologies that have been implemented in the industry in the past two decades. For example, Yusuf *et al.* (1999) have said in this regard “agility is synergistic use of developed methods and technologies in production”. In the same line, Goldman *et al.* (1995) define agility as the ability for economic growth in a competitive environment whose characteristic is constant and unexpected changes. From this point of view, concepts such as timely production, pure production and comprehensive quality management belong to this definition group. The second approach is more precise and specific. Its main emphasis is on ability for rapid adaptability. On this basis, agility is rapid and reactive adaptation of organizational factors relative to unexpected changes and presentation of new and completely different strategy. One of the most comprehensive definitions in accord with this approach has been presented by Kaid. In defining agility, he notes that “an agile organization is a rapid, adaptable and aware business that has the capability of rapid coping in reaction with unexpected and unpredicted changes and market opportunities and customer needs” (Jafamejad and Shahaei, 2007). Therefore, since currently most known instruments (such as timely production, pure production, comprehensive quality management and etc have not been able to resolve lack of definitiveness and unpredictability of the business environment, therefore, these actions are not included in this meaning of agility. Most researchers have accepted the second approach. In the following Table 1, definitions by researchers regarding organizational agility have been shown.

Table 1: Definitions of agility

Researchers	Definitions
Goldman <i>et al.</i> (1995)	An organization's capability to work usefully in a persistently competitive environment with continuous change in customer needs
Yusuf <i>et al.</i> (1999)	Successful discovery of bases of competition speed, flexibility, innovation, quality and usefulness, by way of unification of resources that can be recombined and management of knowledge for provision of products sought by customers in a rapidly changing market environment
Kermani (2009)	Ability of an institute in being concurrently ahead in capabilities of quality of distribution, flexibility and costs in a coordinated fashion (concurrent progress)

Organizational agility: Organizational agility can be considered as a combination of processes, characteristics of the organization and its employees with advanced technology. Agility increases the ability of the organization in presentation of products and services with high quality and thus increases competitive ability of enterprises. Agility might be considered as a core qualification that in the form of experiences and knowledge enables the organization in realization of fundamental results (Hamel and Parhald, 1994). Sharifi and Zhang (1999) place capabilities agile organizations should have to be able to show appropriate reaction and responsiveness to changes in the business environment into four main classes as follows.

Responsiveness that pertains to ability to identify changes, rapidly react and take advantage of them and includes sensing, perception and predicting changes, rapid reaction to changes as soon as they inflict their influence on the system and taking advantage of and making improvements by way of changes. Qualification is a set of abilities that provides productivity, efficiency and effectiveness of activities in the direction of goals and objectives of the organization and includes strategic vision, appropriate technology (soft and hardware) or sufficient technological ability, quality of products and services, effectiveness with respect to costs, high coefficient of introducing new products, change management, having knowledgeable, qualified and able employees, efficiency and effectiveness of operations (purity), internal and external collaboration and cohesiveness and unification. Flexibility is the ability to process various products and reach various goals with the same facilities. The components of this capability are flexibility in product volume, flexibility in model and shape of product and structural flexibility and disputable organizational topics.

Speed is the ability to perform duties and operations in the least amount of time. The components of this capability are timely and rapid product supply to the market, speed or time limit for delivery or sending of

products to the market and rapid period of performing operations. In the business market, agility is created in various ways. For example, Goldman and Nagel (1993) refer to persistent and sustained adaptability with customer needs for provision of a wide range of products and services. Another outlook emphasizes preventive measures on time that are designed for achieving market opportunities or destabilizing movements of competitors (D'Aveni, 1995). Agility might follow creation of new markets with redefining of the method of business (Breu *et al.*, 2002). Ultimately, it can be stated that organizational agility requires emphasis on adaptability of the organization, persistent awareness of opportunities and environmental threats and internal capability of using the opportunities and minimizing negative effects of potential threats. In evaluation of the dimensions of organizational agility, we can mention the following items (Goldman *et al.*, 1995):

- Prompt state and situation
- Getting to know the market
- Equipment with rapid response

Service: Now a day, provision of services is one of the main components of global economy. It allocates >70% of GDP and occupation in most developed countries to it and has led service activities to be placed in first place with regards to growth of economic activities. In one classification, services can be divided into three groups:

- Production-intensive services: such as services by the banks, insurance, distant communications, transportation and whole sale services
- Consumer-oriented services: such as personal services (beauty salon and...), hotels, restaurants and retail supermarkets. These services have less innovation compared to production-intensive services
- Knowledge-intensive services: are similar to what is related to various sciences, engineering services, information technology services. Innovation in this type of services is generally persistent and gradual

Research hypotheses:

- Positive and meaningful correlation exists between organizational factors and organizational agility with provision of services with desired quality to customers in the Rasen Darman Company
- Positive and meaningful correlation exists between strategic factors and organizational agility with provision of services with desired quality to customers in the Rasen Darman Company

- Positive and meaningful correlation exists between technological factors and organizational agility with provision of services with desired quality to customers in the Rasen Darman Company
- Positive and meaningful correlation exists between human factors and organizational agility with provision of services with desired quality to customers in the Rasen Darman Company

MATERIALS AND METHODS

This research purpose wise was applied and its method was descriptive-survey and based on data collection, this study was quantitative. Initially, with review of texts and research literature, a questionnaire was prepared based on a 5 point Likert scale. Based on the statistical population of 196 individuals for the research which included staff, specialists and directors of the Rasen Darman Company and with consideration of the Cochran formula and the statistical population, sample size was estimated at 130 individuals and questionnaires were distributed among members. For determination of the validity of the questionnaire, content validity was assessed. For this purpose, the questionnaire was reviewed by 4 university professor expert in the field of organizational agility and confirmed. For assessing questionnaire reliability, the Cronbach's alpha coefficient was used with a value obtained of 0/81. Since, this value is above 0/7, the questionnaire has appropriate reliability. For data analysis the K-S test was used for testing normalcy of the statistical sample distribution. The Pearson's correlation coefficient was used for identification of organizational agility factors influential on provision of desired services to customers and the Friedman test was used for ranking organizational agility factors influential on provision of desired services to customers of the Rasen Darman Company.

RESULTS AND DISCUSSION

Test of assumption of normalcy of research variables:

With consideration of Table 2, since the significance level of all research variables at a confidence level of 95% is above 0/05, the hypothesis of normalcy of the distribution of all factors is confirmed.

Table 2: Results of the K-S test

Factors	K-S test value	Significance level
Organizational factor	0/373	0/226
Strategic factor	0/295	0/118
Technological factor	0/296	0/364
Human factor	0/281	0/268

Table 3: Test of research hypotheses

Factors	Pearson's correlation coefficient	Significance level of the Pearson's correlation coefficient	Situation of the hypotheses
Organizational	0/735	0/000	Confirmed
Strategic	0/645	0/000	Confirmed
Technological	0/685	0/000	Confirmed
Human resources	0/576	0/000	Confirmed

Table 4: Results of the friedman test

No.	χ^2	df	Sig.
32	235/12	32	0/008

Proof of research hypotheses:

Proof of first research hypothesis (positive and meaningful correlation exists between organizational factor and organizational agility): In Table 3, $r = 0/735$ and since $1 > 0 < r$, it can be concluded that correlation is direct and it can be interpreted that meaningful correlation exists between organizational factor and organizational agility and this correlation is strong.

Proof of second research hypothesis (positive and meaningful correlation exists between strategic factor and organizational agility): In Table 3, $r = 0/645$ and since $1 > 0 < r$, it can be concluded that correlation is direct and it can be interpreted that meaningful correlation exists between strategic factor and organizational agility and this correlation is moderate.

Proof of third research hypothesis (positive and meaningful correlation exists between technological factor and organizational agility): In Table 3, $r = 0/685$ and since $1 > 0 < r$, it can be concluded that correlation is direct and it can be interpreted that meaningful correlation exists between technological factor and organizational agility and this correlation is moderate.

Proof of fourth research hypothesis (positive and meaningful correlation exists between human resources factor and organizational agility): In Table 3, $r = 0/576$ and since $1 > 0 < r$, it can be concluded that correlation is direct and it can be interpreted that meaningful correlation exists between human resources factor and organizational agility and this correlation is moderate.

Ranking: In the following table, the Friedman test has been used to rank organizational agility factors influential on provision of services with desired quality to customers in the Rasen Darman Company. Considering Table 4 and the significance level of the Friedman test which is below 0/05 and the Chi-square statistics which has a positive value, it can be concluded that the importance of influential organizational agility factors is not equal and for this reason, the importance and ranking of each of

Table 5: Ranking of influential factors by way of the Friedman test

Rank	Influential factor	Mean ranks
1	Strategic factors	14/63
2	Organizational factors	12/78
3	Human factors	11/33
4	Technological factors	9/85

these factors has been shown in Table 5. Considering the above table and based on the Friedman test, strategic factors in the Rasen Darman Company of organizational agility have highest preference in provision of desired services to customers. Among reasons for the prioritization of this factor by respondents is importance of planning and having a path map for making the organization agile for presentation of desired services.

CONCLUSION

The results shows, 4 main factors of organizational, strategic, technologic and human of organizational agility have role in provision of services with desired quality to customers. Therefore, these components can be used for improvement of services in the Rasen Darman Company. Based on the results obtained from the questionnaire and inferential statistics, it can be stated that the role of teaching and up to dating of employees for provision of new and desirable services is very influential. Additionally, it was shown that the Rasen Darman Company should adopt a flexible structure with less complexity so it can transform its services to value with increased speed and with least wastage of energy and cost. Additionally, transformation of the Rasen Darman Company to a learning organization can improve quality of services based on the results of the research. Also, it can be stated that having a real vision and long term planning for the Rasen Darman Company is a necessary matter for changes in the company and adaptation with environmental changes. In addition, use of flexible strategies and persistent comprehensive quality also has significant influence on quality and facilitation of services in the Rasen Darman Company. Same with selection of leadership style that has no conflict with organizational flexibility and group decision makings are among principles that should be observed in this company.

Considering the results obtained access of employees and sharing of needed information with them will lead to facilitation and quality of services expected by customers of the Rasen Darman Company. Use of up to date technology and creation of important technological sub structures in the company for presentation and provision of appropriate electronic services to the day's needs are among important actions that result in creation of competitive advantage and provision of quality services and quicker than competitors. Additionally, it can

be concluded that multi duty teams when the company is afflicted with delay in provision of its services can resolve problems and procedural knots of the company. Also, maximum participation of employees and various skills in company processes can lead to percentages of increase in services.

SUGGESTIONS

It is suggested that the Rasen Darman Company places in priority teaching its staff for existing services and those that are under consideration in its long-term planning so disruption is not created in the goals it has pictured for itself in this path.

It is suggested that staff with various skills are employed in the Rasen Darman Company so they can form appropriate multi duty teams and resolve problems and difficulties that lead to delay and prevention of competitive advantage for the company. Additionally, it is suggested that access and exchange of discretion by employees are increased so they can present services to customers with their maximum strength.

It is suggested that the Rasen Darman Company considers a flexible structure for itself so it can decrease organizational complexities and bureaucracies and is transformed into a learning organization and is able to comfortably respond to environmental changes and with sudden changes in market and customer needs significant change does not occur in the quality of services and time of their performance.

It is suggested that the Rasen Darman Company considers long term and flexible strategies for its marketing and retail so it can plan its structures and organizational operations and endeavor more extensively for their improvement and adopts the strategy of persistent comprehensive quality in each of its processes so the desired quality of services in this company is maintained and acquires an incremental trend in time.

It is suggested that the Rasen Darman Company prepares appropriate technological substructures for provision of new services and with high quality so it agrees with daily needs of the customers and employees

are enabled to get acquainted with this advanced technology and provision of services to customers becomes more rapid and the cycle of information in the company is clarified and information pollution is resolved and extra and value less processes are omitted and company efficiency in service provision is multiplied.

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