

# THE IMPACT OF STRATEGIC PLANNING, STRATEGIC THINKING, AND STRATEGIC AGILITY ON COMPETITIVE ADVANTAGE: LITERATURE REVIEW

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## ABSTRACT

*Businesses all across the world struggle to sustain excellent performance over an extended period of time. Due to their lack of strategic understanding and flexibility in dealing with the uncertain business environment and the effects of globalization in the twenty-first century, the majority of managers in business organizations today find it challenging to consistently achieve desired company performance. This research, being a qualitative desk research, focus on explaining some vital and critical concepts in strategic management for any organization, which are: strategic planning, Strategic thinking, strategic agility, and Competitive advantage. Through reviewing literature, the relations among these variables and their impact on competitive advantage are investigated.*

**Keywords:** Strategic Planning, Strategic Thinking, Strategic Agility (SA), Competitive Advantage (CA).

## INTRODUCTION

Business professionals today must always create means and techniques to outwit competition in their particular industries as the business competition age has grown more difficult. Business people should ideally be able to mix internal elements, particularly resources, and outside observed industry structure when selecting the business models and concepts to be applied.

The key to a company's success in a cutthroat market is its competitive advantage. The value or advantages that a business can produce for its customers grow into its competitive advantage. Understanding a company's competitive edge requires taking a close look at the many activities it engages in for creating, producing, promoting, delivering, and supporting sales. Consequently, competitive advantage is a position that the company is still pursuing (Farida & Setiawan, 2022)

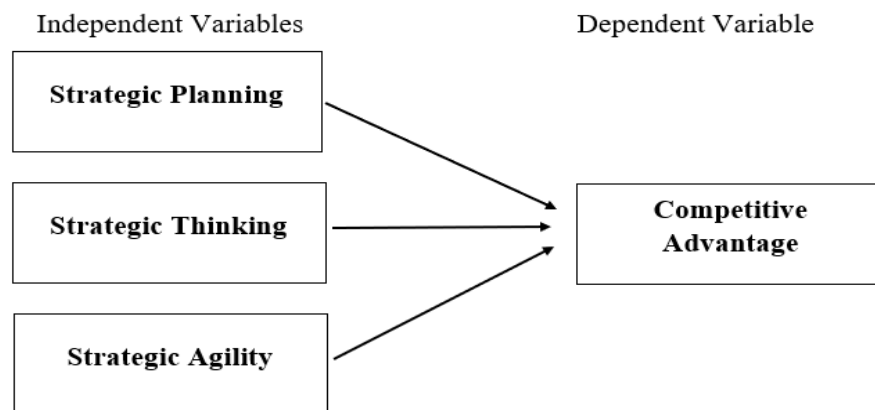
All corporate organizations nowadays face complicated issues as a result of the enormous changes occurring in the external settings. To properly adapt to these developments, new innovative thinking processes are needed. Numerous scholars have observed that abilities in strategic thinking result in a dynamic environment at both the organizational and individual levels. Typically, this results in the development of fundamental needs for achieving company competitive advantage.

Executives can think strategically by developing a sharply defined vision through strategic thinking, which enables them to think strategically. With these abilities, leaders can clearly define the strategic objectives of their firm and create strategically plans to attain them.

An executive with strategic thinking abilities has a high degree of adaptability while using their thinking process. Therefore, the ability of managers to apply these sophisticated human thinking skills in organizational problem-solving processes and adaption with externally unstable environments in an inventive manner can be viewed as the most significant characteristic of strategic thinking. This theory suggests that adapting and honing strategic thinking abilities should bring many benefits to businesses (Al-Qatamin & Esam, 2018).

Due to the work environment's quick and fluctuating changes, organizations encounter many difficulties. These changes are brought about by technical advancement, globalization, creativity, innovation, and shifting consumer tastes. Businesses have to adapt to these changes in order to become more competitive in the market. The term “*agility*” first originated when the workplace was subject to quick changes. As a result, businesses should assess their goals and policies as well as react quickly and adaptably to changes in the workplace. This aids in the development of what is referred to as “*strategic agility*”. Strategic agility becomes essential for success and sustainability in the workplace, as well as the pursuit of excellence, the evolution of work processes, and finally obtaining competitive advantage. Companies’ today aim to deliver the best value to their clients faster than their rivals (Al-Romeedy, 2019).

### Conceptual Framework



Source: Developed by the Author

**FIGURE 1**  
**CONCEPTUAL FRAMEWORK**

### LITERATURE REVIEW

#### Competitive Advantage

The ability of an organization to stay one step ahead of current or potential competitors is known as competitive advantage (CA). It is an organization's better performance or competitive advantage in the form of market leadership. Arokodare & Asikhia (2020) define CA as everything that the company can accomplish more effectively than its rivals. According to, CA is any value that a company offers that encourages its customers (or end users) to choose its goods or services over those of its rivals and that creates barriers to imitation by real or potential direct

competitors. Competitive advantage is thought to be one of the cornerstones of high caliber performance (Arokodare & Asikhia, 2020).

## Strategic Planning

Despite efforts to clarify the aspects, dimensions, attributes, methods, instruments, and issues associated with the idea of strategic planning, researchers and academics have come to an agreement on the following description.

Mitaki & Gitonga (2018) identified strategic planning as a process where the organization's message is decided, followed by the establishment of goals, strategies, and policies to assure the allocation of resources to meet these objectives.

According to Mitaki & Gitonga (2018), strategic planning involves choosing the best tactics to help the business achieve its goals. While Mitaki & Gitonga (2018) observed that the organization is in the process of updating its message, objectives, plans, and policies for the upcoming phase.

An organization must comprehend its existing situation and the means by which it can pursue specific courses of action in order to decide on its future course.

Strategic planning is a methodical process that results in fundamental choices and actions that define and direct an organization's identity, mission, and goals with an eye toward the future according to Mitaki & Gitonga (2018). It is the initial phase of the strategic management process, laying the groundwork for the subsequent phases of execution, evaluation, and control. The framework for creating and putting into action plans is provided by formal strategic planning systems (Mitaki & Gitonga, 2018). It brings about adjustments that could or might not encounter opposition inside the organization.

According to Mitaki & Gitonga (2018), good performance depends on energizing organizational-wide commitment to the selected strategic plan. Thus, it is crucial for a firm to effectively convey its mission and foster employee engagement.

The three steps of the strategic planning process—Position determination, strategy development, and plan building—should be attended to for it to be successful. Having a well-crafted strategy by itself does not ensure that goals will be met. “*Without successful implementation, a plan is merely a fantasy,*” write Hambrick and Cannella in 1989. As a result, all organizational levels must implement the developed strategy. Putting a plan into practice is known as implementation (Mitaki & Gitonga, 2018).

Strategic planning is a management tool used to pinpoint an organization's advantages and disadvantages, opportunities and difficulties, as well as its vision and the means by which it will work to realize that vision. Long-term goals are the main emphasis of strategic planning, which also evaluates the organization's capacity to reach these goals, looks at potential environmental influences, and identifies tactics to advance the business. The great majority of businesses use a calendar-driven ritual for strategic planning that presumes the future will be somewhat similar to the present (Mitaki & Gitonga, 2018).

Mulyaningsiha et al. (2021) argued that every organization needs to pay close attention to strategic planning. Strategic planning for marketing, production, finances, and human resources is what is desired. A company's goals are chosen, strategies are developed, strategic programs are created, and ways to guarantee that strategies and policies have been executed are determined through the process of strategic planning.

Strategic planning plays a key role in determining how thorough, cogent, and balanced the company's long- and short-term plans will be. The company's leadership undoubtedly prepares this strategic planning with the assistance of other parties who are seen as significant and crucial. According to Mulyaningsiha et al. (2021), the focus of strategic management is on performance assessment and strategy execution that will boost organization's performance and competitive advantage.

The internal and external environments are an integral component of strategy planning that cannot be separated. According to Mulyaningsiha et al. (2021), the performance of enterprises is correlated with variables of the internal or external environment that are related to personality, organizational culture, and business strategy orientation.

Strategic planning, according to Mulyaningsiha et al. (2021) is a methodical procedure used by the company and designed to increase involvement from key stakeholders regarding priorities that are crucial to achieving its goals and responsive to the operational environment.

Strategic planning is used expressly to sharpen the organization's focus and ensure that all available resources are utilized to the fullest extent possible in support of the organization's objective. This means that an organization's strategic planning must adapt to a changing and unexpected environment. The three main steps of the strategic planning process are formulation, application, and controlling according to Mulyaningsiha et al. (2021). Formulation entails the development of the mission, choice of the primary objectives, evaluation and selection of alternatives, and assessment of the internal and external environment.

Strategic planning, according to Mulyaningsiha et al. (2021), helps businesses by motivating them to explore for new opportunities to boost sales and their competitive position. Businesses in a dynamic industry that is fast evolving benefit from rigorous strategic planning. Strategic management will be able to serve as a means of communicating company objectives and other routes that will be followed to reach these goals, therefore businesses of all sizes should be involved in strategic planning in a variety of business situations. Typically, strategic planning is done over up to five years.

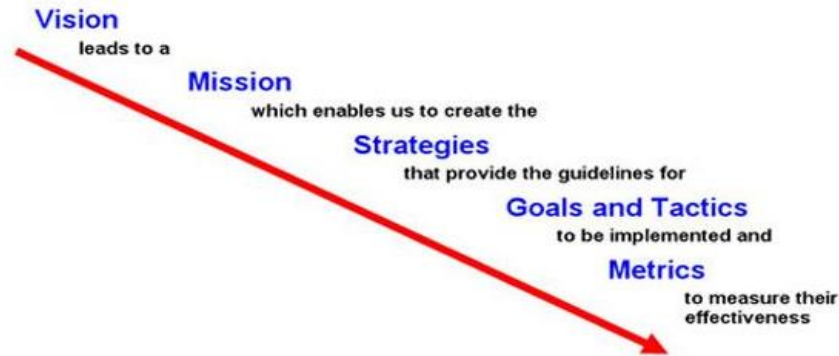
Strategic planning provides an organization with a roadmap for reacting to a dynamic and unpredictable environment. The importance of making decisions that position the company to successfully respond to environmental changes is emphasized by strategic planning. It is important to further investigate the variables that can affect strategic planning in an effort to develop competitive advantage in order to generate the value of competitive advantage. There are two fundamental corporate strategic plans that serve as the foundation of strategic planning: First, anticipatory intuitive planning is a strategy that is founded on a manager's experiences, instincts, thoughts, and reflective thinking; alternatively referred to as anticipatory intuitive strategic planning. This type of planning is typically non-formal or determined informally. The second type of long-term planning is formal, which entails creating a set of written plans based on procedures, research, and participation from numerous people. This type of planning is therefore considered formal strategic planning (Mulyaningsiha et al., 2021).

## **The Strategic Plan Work Product**

The work product, or strategic plan, is a brief, carefully crafted document that may be distributed to an organization's staff. Without the high-level implementation strategy, this work product should typically include the following: (Maleka, 2014)

1. SWOT analysis (Assessment of current business environment)

2. Vision
3. Mission (may also include core values)
4. Critical success factors
5. Overall organizational performance measures
6. Core Strategies – External and Internal
7. Performance measures for each strategy
8. Major resource deployment decisions
9. Assignment of strategic responsibilities
10. High level macro implementation schedule
11. Monitoring and control system



Source: Maleka (2014)

**FIGURE 2**  
**BENEFITS OF STRATEGIC PLANNING**

### Strategic Planning and Competitive Advantage

For organizations to maintain a competitive advantage, strategic planning is essential. Great companies stay one step ahead of their rivals due to their competitive advantage. The firms that have a competitive edge do financially substantially better than other companies in the industry or better than the industry average, according to Maleka (2014).

According to Maleka (2014), the reason why organizations don't just rely on their operations, marketing, or finance functional areas to generate competitive advantage is that managers in each of these areas frequently only see things from their own unique perspective, which is too limited for the entire organization to rely upon. Decisions that result in a competitive advantage can only be made by managers (such as CEOs or strategic planners) who have a comprehensive view of their organization and the surroundings in which it operates.

Strategic planning also makes teamwork easier. The majority of businesses today include functional area middle managers in the creation of the strategic plan. Middle managers are responsible for carrying out the tactics outlined in the strategic plan, so if they weren't involved in its creation, they wouldn't be as dedicated to supporting it. By improving communication among managers at all levels, strategic planning is utilized to gain a competitive advantage and integrate all functional areas of the business.

The following are some of the steps taken by an organization that engages in strategic planning: defining the organizational vision and mission; scanning the environment; setting goals; developing strategic options; reviewing; and selecting the strategic tools to track progress.

An organization must adhere to the corporate strategic planning process in order to attain its desired goal and maximize earnings. Opportunities, challenges, and obstacles presented by the environment force organizations to develop specialized strategies to assist in carrying out their mandate in the market.

Mitaki & Gitonga (2018) believed that every organization needs strategies that will allow it to function in a changing environment. These strategies ought to result in competitive advantage and build sustainability for the organization's future expansion. Both the internal and external environments can have an impact on organizations. One of the main responsibilities of management is planning. It encourages very important issues that the executives must tackle. This is so that it points the organization in the direction of where it wishes to go. Before developing the organizational strategy, strategy planners should be aware of the internal and external surroundings that have an impact on their businesses.

The majority of businesses engage in a sophisticated process of quantitative analysis, assessments of the business environment, intense discussions, and challenging trade-offs that frequently yields nothing more than a list of plans in bullet form. The assumptions underlying the strategy and the complexity of the process are lost or exist only in the minds of the executives involved in the planning process. Systematic strategy planning is made more challenging by the business environment's increased volatility.

Planning strategically is essential for all companies. Creating a competitive advantage over competitors in the market is the main goal of a strategy (Mitaki & Gitonga, 2018).

## Strategic Thinking

Since many decision-makers believe that top management must concentrate on the process of effective thinking in today's business organizations and since psychologists, philosophers, and management scientists agree that effective strategic thinking is one of the most crucial success factors in organizations and in life in general, strategic thinking has become a very modern and significant topic in management.

Organizations are interested in strategic thinking because they want to create an integrated strategy that starts with identifying their vision, goal, and objectives, develop strategic alternatives, and ends with the implementation of their operations. In other words, establishing objectives, key policies, and a plan for carrying them out in order to meet corporate objectives. It is possible to say that strategic thinking is an intellectual approach that organizes management activities and events to further the goals and objectives of the firm.

The application of this technique necessitates methodical strategic thinking, and an integrated strategic framework contains a clear mechanism for setting goals, achieving desired results, and reviewing accomplished achievements in light of internal and external variables.

Accomplishing competitive capability in the organizations is based on strategic thinking, which is a method to examine the conditions the company faces and strive to convey this vision to the pertinent organizational levels working on actions that achieve for it.

Strategic thinking is a proactive intellectual and analytical discourse that aims to give the company a long-term competitive advantage over its competitors.

*“A way in which people in an organization think about, assess, view, and shape the future for themselves and their associates”* is the definition of strategic thinking.

Strategic thinking is to develop a cohesive, unified, integrative framework for decisions, particularly about the direction of the business and resource use. It specifies the competitive

domain for business advantage over competitors in a conscious, explicit, and proactive manner. In order to create corporate plans with a higher likelihood of success, the strategic thinking process uses both internal and external data as well as qualitative synthesis of opinions and impressions.

According to a review of the relevant literature, more and more businesses are realizing that using previous performance as the only foundation for formulating future strategies is not always the greatest idea. Instead, we must come up with fresh ideas for adding value for customers. Innovative and creative thinking are needed for strategic thinking, which also includes a research phase to look at the perspectives of customers, employees, and industry leaders. The “*what:*” and “*why*” of the planning process are determined by strategic thinking. The query “*what should be done and why?*” is addressed. It is a process of looking at everything we do in our various positions, comprehending our customers' demands, and making sure that everything is connected to clearly define strategic imperatives.

In business, strategic planning is a continuous process that evaluates the company's operations and the industries in which it operates, as well as its competitors, and establishes objectives and plans of action. Any strategy's success depends on being unexpected by the opposition and adapting to the environment's shifting rules; otherwise, it could have fatal effects. The process of strategic thinking aids a company in reaching new levels of production and maximizing both its financial and human resource returns (Baloch & Inam, 2007).

According to Al-Qatamin & Esam (2018), the practice of strategic thinking strives to enhance organizational performance through wise decision-making. The idea of strategic thinking is frequently used to creative strategies. This approach calls for managerial thinking that goes beyond routine operational thought and is consistent with the strategic objectives of the company. An organized process that results in the acquisition of accurate answers to particular questions is what strategic thinking often entails. This process may include data corrections, study and discussion of an issue, and exchange of ideas.

Strategic thinking is a process that permeates how people consider, reconsider, assess, perceive, and manage the future for both themselves and others. The ability to think strategically is a very useful and effective skill. Making decisions that are relevant to one's personal or professional life can be accomplished by using strategic thinking. Developing a comprehensive range of essential cognitive and analytical abilities is necessary for strategic thinking (Al-Qatamin & Esam, 2018).

The capacity to employ both the left (logical) and right (creative) sides of the brain is a capability that executives with strategic thinking skills have, and it may be quite helpful when developing strategies.

Additionally, CEOs that are adept in strategic thinking typically possess the capacity to create a well-defined strategic vision.

Executives with strategic thinking abilities are able to clearly identify their goals and launch an action plan with the right resources to generate high-quality results. By developing benchmarking systems for the review and control process, executives with strategic thinking skills are typically able to inject flexibility into their strategy.

Due to its significance in improving overall organizational performance management and effectiveness, strategic thinking is regarded as a crucial business practice. Additionally, its relationship to the development of new products is usually seen as an essential process for industrial concerns.

Researchers have proposed a variety of patterns and forms of strategic thinking. This can be explained as follows:

### **Synthetic Thinking**

Synthetic thinking is the combination of all approaches that may be applied in conjunction with one another to create a new and original thought. It also involves the formation of many stimuli in conjunction with one another to create a new thinkable topic.

This approach is based on constructing ideas and connects it with the mental capabilities in the form of foresight, intuition and scientific imagination, as the composition method compatible with managers with the high intellectual competency, which supposes that every person understands things and alternatives according his effervescence mind and the resulting effects on cognitive moment.

### **Ideal Thinking**

The hardest part of strategic science is ideal thinking. It is a way of thinking that is based only on awareness, sense, or reason, so it surpasses the real target on perception. In this way of thinking, values continuing to be a significant source of thinking as interested in the core of strategic work. It is also a way of thinking that goes beyond the physical nature of things in order to comprehend the philosophy through a mental process that aims to draw conclusions, and to draw abstract meanings of things and relationships.

### **Practical Thinking**

The steps taken in this approach are not based on knowledge or experience, nor are they based on means; rather, they are based solely on logic, as they are based on the manager's capacity to draw attention to actual sensory data and facts in order to support a position or reinforce a particular behavior.

### **Realistic Thinking**

This approach is working on the development of strategies to work according to possible means. Realistic thinking is controlled, rational, purposeful, directed, and conforming with real facts.

The researchers hold that strategic thinking is a continuous mentality process that necessitates the essential capacity and skills for carrying out managerial functions of strategic management. They believe that this process is carried out by using debates to find out what will happen in order to develop new creative ideas, particularly when faced with a dilemma or when trying to realize a gain. The manager's culture, experience, environment, and external conditions all have an impact on this process, which helps with problem-solving, decision-making, and formulation.

### **Strategic Thinking and Competitive Advantage**

In today's globalized competitive climate, where business and company strategies transcend the borders of nations and markets to achieve a worthwhile return on investment by



outpacing its competitors, research by Maina (2018) highlighted the relevance of strategic thinking. He pointed out that a company, without inclusive strategic thinking, runs the risk of making hasty decisions devoid of the creativity and insights obtained through strategic thinking.

The main objective of strategic thinking, according to Maina (2018), should be to out-think, out-plan, and out-maneuver other forces or competitors. This applies to both the organization as a whole and to each department or division within the business.

Strategic thinking is an imaginative, creative, and right-brained process that promotes an open exchange of ideas and solutions to address the dynamic, frequently unpredictable issues faced in today's economy study on the topic.

According to Maina (2018) any firm looking to achieve a competitive advantage can apply strategic thinking. They come to the conclusion that developing programs that are not just restricted to official leadership should be used to promote strategic thinking throughout employee groups. Activities that foster strategic thinking, such as brainstorming, scenario visualization, repertoire development, and dialogue, should be emphasized as essential tools for helping businesses adapt successfully to rapid change.

### **Strategic Agility**

Researchers from the University of Li High used the term “*agile*” for the first time in 1991 to refer to a flexible manufacturing system that has the capabilities needed to meet the market's rapidly changing needs and that can quickly satisfy consumer requests. An extensive analysis of the literature on agility demonstrates how responsiveness, competence, flexibility, and speed can help an agile firm succeed in a competitive environment and gain a competitive advantage in the marketplace.

According to Khoshnood & Nematizadeh (2017), the ability of the business to manufacture and market new items as well as keep its cost-effectiveness is directly impacted by agility. Benefits of adopting an agile strategy include lower manufacturing costs, higher customer satisfaction, the elimination of non-value-added operations, and increased competitiveness (Khoshnood & Nematizadeh, 2017).

Definitions of agility tend to focus more on the ideas of production and supply chain agility, and they demonstrate that agility is a local skill focusing on internal business processes, corporate policies, and a responsiveness to change (Khoshnood & Nematizadeh, 2017).

The reactive aspect of agility is necessary, but it is not sufficient on its own given the rising global rivalry, the speed and complexity of change, and the growing relevance of information in today's society. Organizations nowadays need to consider more than just responding to change or adapting to it; they also need to adopt changes in their business models and be on the lookout for possibilities (Khoshnood & Nematizadeh, 2017).

As time went on, several authors gave a larger variety of definitions of agility while also correcting some shortcomings in the reactive concept. According to Khoshnood & Nematizadeh, (2017), agility is a concept made up of two parts: responsiveness and knowledge management.

Furthermore, according to Matyakalan and his coworkers, agility is the capacity of an organization to identify changes through opportunities and threats present in the business environment and to respond quickly through the recombining of resources, processes, and strategies. In this definition, the strategic aspect of the concept of agility has been added to the operational aspect (Khoshnood & Nematizadeh, 2017). As a result, a new type of agility emerged in literature, and now a new paradigm known as strategic agility is evolving.

Being both nimble and strategic at the same time is necessary for strategic agility. Being nimble and responsive is the same as being strategic, which entails anticipating changes and using our own advantages to overcome them. Therefore, from a strategic perspective, agility refers to the ability to anticipate change and respond to it. The life of strategic planning, in the traditional sense in which a firm formulates its vision and strategy for the next five to ten years and follows it, has ended because strategic agility differs in several respects from the traditional strategy approach.

Today, we must constantly be ready to quickly recover and change our course of action. strategic agility is defined as the capacity to alter, recover, and reinvent a company's dynamic and strategy in response to a shifting commercial environment. This skill is acquired via consistent foresight, modification, and adjustment of trends and client needs while remaining committed to the company's mission. It is also well known as a strategy for ensuring the survival of organizations in marketplaces characterized by expansion, formal interconnectedness, and quick change.

Strategic agility is the capacity of an organization to adapt and adjust its course without losing sight of its long-term vision, which is crucial for the current new economy (Khoshnood & Nematizadeh, 2017). Additionally, according to this institution, strategic agility refers to a process that allows a business to swiftly exploit change for a considerable competitive advantage.

Strategically-directed agility was described as change management capabilities by Khoshnood & Nematizadeh (2017). The ability to adapt helps companies accomplish two goals: Assuring feasibility and efficacy (the ability to make quick modifications) - Securing market leadership (skill of active change). It is important to emphasize that this ability enables any business to successfully manage and use information. Therefore, agility is viewed as a dynamic capacity that has arisen from knowledge production tactics to assist firms in better managing change (Khoshnood & Nematizadeh, 2017).

Strategic sensitivity, group commitment, and resource fluidity are the three variables (Khoshnood & Nematizadeh, 2017), used to describe strategic agility. Similar to Daz and Kesnen's idea of strategic agility, Consulting Group provided a four-dimension description that included: organizational elasticity, leadership unity, resource fluidity, and receptivity to opportunity.

Khoshnood & Nematizadeh (2017) used the following seven factors to evaluate the supply chain's strategic agility: 1. the capacity to recognize changes quickly. 2) The capacity of partners to decide quickly as a group. 3) Quick change-response capability, 4) data sharing via information technology, 5) process integration, and network coordination 6) Product development involving partner cooperation, 7) a network that is prosperous as a result of the partners' strength (Khoshnood & Nematizadeh, 2017).

According to Long (2000), strategic agility is measured according to seven dimensions: customer knowledge, awareness of essential capabilities, choosing strategic targets and objectives, shared accountability, competition knowledge, and taking measured action.

Only five dimensions—clarity and lucidity of vision, understanding of fundamental capabilities, selecting strategic targets and objectives, shared responsibilities, and taking action—reflect strategic agility, according to Khoshnood & Nematizadeh (2017). The other two dimensions, knowledge of customers and competitors, reflect the competency of high sensitivity to the market that can be used to accomplish strategic agility.

The crucial compound “*the speed and stability*” required for an organization's strategic agility is provided by clarity of vision and understanding of the fundamentals taken together. An organization will chase opportunities it is not equipped to take advantage of if it is unaware of its fundamental capabilities. A company only concentrates on all of its value chain partners when it is fully aligned and driven to take advantage of the prospects connected with the company. Clarity and limpidity of vision offer the necessary speed to execute. An organization's capacity to choose strategic targets and objectives aids in the modification, enhancement, or development of its capabilities in order to coordinate already-existing and new possibilities (Khoshnood & Nematizadeh, 2017).

According to Arokodare & Asikhia (2020), “*Strategic Agility*” (SA) is a concept made up of two parts: responsiveness and knowledge management. The ability of an organization to recognize changes through opportunities and risks present in the business environment, and to deliver a timely response through the re-amalgamation of resources, processes, and strategies, is how they further interpret strategic agility. An extensive analysis of the SA literature demonstrates how responsiveness, competence, flexibility, and speed are all necessary for an agile business to succeed in a competitive setting and gain a competitive advantage in the marketplace. SA was viewed by Arokodare & Asikhia (2020) as a way for organizations to reinvent themselves, adapt, and ultimately survive.

According to them, SA refers to a company's ability to continuously modify and adapt its strategic course in a core business in order to increase the firm's value. Arokodare & Asikhia (2020) defined SA as the capacity of an organization to efficiently and effectively redeploy and redirect its resources to value creating and value protecting (and capturing) higher-yield activities as internal and external circumstances change. Arokodare & Asikhia (2020) defined SA as “*the capacity of an organization to efficiently and successfully reorganize and redirect its resources to value creating and value protecting (and capturing) higher-return activities as internal and external circumstances change*”.

According to Arokodare & Asikhia (2020), Strategic agility has five dimensions:

### **Strategic Insight**

It is an organization's propensity to keep the present in mind while learning from the past difficult strategic circumstances as they arise and for the advantage of the organization, analysis as situations develop. Inside-outside or outward sensing and internal awareness are both included in strategic insight in the context of the organization.

By experimentation and probing, identifies the organization's strong points and weak points considering the surrounding circumstances, which could result in the firm's fundamental business assumptions being contested and assist in defining, improving, and honing them. On the other hand, external sensing enables executives to view their company from several angles when they step back from their daily routine and begin simulating the organization and its interactions with its surroundings (Arokodare & Asikhia, 2020).

### **Internal Response Orientation (IRO)**

Strategic response (SR), a dimensional construct of SA, has a sub construct called internal response orientation (IRO). The capacity of an organization to swiftly and seamlessly rearrange its resources and processes in reaction to changes and/or developments in the business

environment, while collaborating with its clients and business partners, is known as strategic response (Arokodare & Asikhia, 2020).

### **External Response Orientation (ERO)**

External response orientation is the capacity to foresee market events and trends before rivals. It entails keeping connections with a number of different people and organizations in order to be as open to information, intelligence, and innovations as possible (Arokodare & Asikhia, 2020).

In order for businesses to recognize the need for change, they must be focused on the market. According to Arokodare & Asikhia (2020), external response orientation (ERO) refers to an organization's capacity to pro- or re-act to the business environment.

### **Human Resource Capability (HRC)**

HRC as being in line with a person's capacity and adaptability to play significant roles in an agile company that deals with ongoing changes in the environment. According to Arokodare & Asikhia (2020), human resources capability is a gauge of how well-qualified and capable the staff is to carry out its responsibilities. HRC is a collection of practices and regulations required to carry out a variety of operations. They enable management to do its role as effectively as possible.

According to Arokodare & Asikhia (2020), human resources capability can also be characterized as managerial activity related to spotting of organization needs in terms of workforce, a response to these needs by providing the appropriate personnel in the numbers and qualifications that correspond to the organization's needs, and using these resources in an effective manner to achieve productivity.

### **Information Technology Capability (ITC)**

Information technology capabilities (ITC) are one of the sub-constructs of the collective capabilities dimension of strategic agility, according to (Arokodare & Asikhia, 2020). He defined ITC as the organization's capacity to effectively use its information infrastructure and resources to derive value and enhance performance. The organization will be able to perform its core functions effectively if it has the necessary information infrastructure and resources, according to his opinion. However, having these capabilities is crucial for the organization to effectively use its information resources and advance information management in a cutthroat business environment.

### **The Relationship between Strategic Agility and Competitive Advantage**

The skills, resources, connections, and choices that enable the business to focus on opportunities while avoiding challenges in the industry are referred to as competitive advantage. According to Kumkale (2016), a company's financial, organizational, and human resources must have four characteristics in order to acquire a sustained competitive edge. These characteristics include being valuable, uncommon, unique, and irreplaceable (Kumkale, 2016). A company must be flexible, innovative, and open to collaboration in order to take advantage of opportunities that may arise and provide it a competitive edge.

The characteristics displayed in Table 1, which are the capabilities owned by agile businesses in administrative, resource, or capability issues, are the essential elements that give an enterprise an advantage over its competitors in today's conditions of intense global competition.

<b>Table 1</b>	
<b>FEATURES OF AGILE ENTERPRISES: ORGANIZATION AND WORKFORCE</b>	
<b>Organization</b>	<b>Features</b>
Authority	✓ Decentralized authority and control
	✓ Fewer power differentials (fewer titles, levels, status dimensions, etc.)
	✓ Loyalty and commitment to project
	✓ Authority tied to tasks
	✓ Authority changes when tasks change
Rules and Procedures	✓ Wide span of control rule
	✓ Few rules and procedures
	✓ Low level of formal regulation
	✓ Fluid rule definitions
Coordination	✓ Informality organized
	✓ Informal and personal coordination
	✓ Delegation of tasks and decision making
	✓ Network communication
Structure	✓ Goal-directed
	✓ Flat, horizontal, matrix, networked, or virtual structure
	✓ Team work, cross-functional linkages
Human Resource Management Applications	✓ Loose boundaries among functions and units
	✓ Employee empowerment
	✓ Employee involvement
	✓ Job rotation
	✓ Job enrichment
	✓ Autonomy in decision making
	✓ Information and Knowledge access
	✓ Teamwork
	✓ Multifunctional teams
	✓ Multiple skills trainings
Agile workforce	✓ Workforce development and training
	✓ Differentiation and diversity development
Proactive	✓
	✓ Anticipation of problems related to change
	✓ Solution of change related problems
Capacity to adapt	✓ Personal initiative
	✓ Interpersonal and cultural adaptability
	✓ Spontaneous collaboration
	✓ Learning new tasks and responsibilities
Flexibility and resilience	✓ Professional flexibility
	✓ Positive attitude to changes
	✓ Tolerance to uncertain and unexpected situation
	✓ Coping with stress

Source: Kumkale (2016)

Since communicating the product to the consumer, whether it is the same thing or not, provides time value, quick responses create competitive advantage. It's crucial to remember that

“late service is not a service.” Making innovations or novelties is necessary, but coming up with them first is crucial. A vital prerequisite for reaching the top of the market is to produce novelties and provide them to customers quickly (Kumkale, 2016). According to Kumkale (2016), a firm's growth and existence depend on avoiding inherent passivity and becoming an agile company.

The elements that boost the firm and provide it an advantage over its rivals are those related to administrative, resource, or ability difficulties, as illustrated in Table 1 and above. When companies that guarantee these advantages apply the proper methods and establish it as an organizational culture, they can achieve sustained agility.

## CONCLUSION

Strategic Planning, Strategic thinking, and Strategic agility are all interrelated and interconnected variables, and all of them have an impact on the organization's competitive advantage according to the literature. In order for an organization to achieve a competitive advantage and outpace its competitors, it is necessary to have a good understanding of these concepts, and know how to utilize them (as tools) to accomplish organizational goals in a dynamic and rapid-changing environment.

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