FORMALIZATION AND ORGANIZATIONAL AGILITY IN QUICK SERVICE RESTAURANTS IN PORT HARCOURT, RIVERS STATE

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A B S T R A C T	K E Y W O R D S
This study investigates the interplay between formalization and organizational agility, focusing on how varying levels of formalization impact agility across different sectors. The research aims to address the challenges organizations face in balancing formalization with the need for agility in fast-paced environments. A cross-sectional research design was adopted, with data collected from staff members of three Quick Service Restaurants (QSRs) in Port Harcourt. The sample size was determined using Taro Yamane's formula, and data were gathered through structured questionnaires. Reliability was assessed using Cronbach Alpha, and Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed to test the hypotheses. The findings reveal a positive relationship between formalization and organizational agility measures (sense, decision-making and act agility respectively), suggesting that appropriate formalization levels can enhance agility rather than inhibit it. This relationship highlights the potential of leveraging formalization as a supportive framework for agile practices. The study recommends that organizations should strike a balance between formalized processes and the need for flexibility to foster an environment that supports rapid decision-making and innovation. The findings contribute to the understanding of how formalization can be aligned with agile methodologies to improve organizational performance and responsiveness in dynamic business environments.	

Introduction

Organizational agility enables organizations to adapt and respond very fast to changes in the internal and external business environments. This concept encompasses the ability to seize new opportunities, address challenges, and make swift, effective decisions. The quest by organisations to achieve organizational agility is traceable to the rapid technological advancements, shifting market dynamics, which has engendered competitiveness in the marketplace. Agile organizations can pivot quickly, streamline processes, and foster a culture of innovation, ultimately enhancing efficiency and employee satisfaction while positioning themselves for growth in volatile conditions (Truebiz Learning Info Solutions LLP, 2024).

The interplay between organizational agility and formalization is crucial to understanding how organizations can optimize their structures for better responsiveness. Formalization describes the extent to which rules, procedures, and policies govern organizational activities. While some degree of formalization is necessary for consistency and predictability, excessive formalization can lead to rigidity, inhibiting an organization's ability to adapt quickly. Therefore, it is essential to explore how organizations can balance formalized processes with the need for agility to thrive in a fast-paced business landscape (Agarwal, 1983).

Formalization serves as a framework that dictates how tasks are performed within an organization. It plays a significant role in ensuring clarity of roles and responsibilities, thereby promoting efficiency. However, the challenge lies in finding the right level of formalization that supports rather than stifles agility. Previous studies have indicated that organizations often experience a paradox where reducing certain forms of formalization can lead to increased enabling formalization in other areas (Bachmann et al., 2020). This nuanced understanding highlights the importance of adopting a flexible approach to formalization that aligns with agile practices.

Despite the growing body of research on organizational agility and formalization, significant gaps remain in understanding how varying levels of formalization impact specific dimensions of agility across different sectors. Most existing literature tends to focus on theoretical frameworks without empirical validation or concentrates on singular industries. This lack of comprehensive insights limits organizations' ability to develop effective strategies that integrate both agility and formalization across diverse contexts. Addressing this gap is essential for equipping organizations with the knowledge necessary to navigate the complexities of modern business environments successfully.

Statement of the Problem

The problem of insufficient organizational agility has become increasingly pronounced in today's fast-paced and unpredictable business environment. Symptoms of this issue manifest in various forms, including slow decision-making processes, a lack of responsiveness to market changes, and the prevalence of organizational silos that hinder collaboration across departments (APQC, 2024). These symptoms often lead to conflicting goals among teams, resulting in wasted resources and inefficiencies that can stifle innovation and impede overall organizational performance (Oktay, 2020). If left unaddressed, the consequence of low agility can be severe; organizations may struggle to compete effectively, ultimately risking their market position and long-term viability.

The manifestation of these symptoms can be traced back to rigid organizational structures and bureaucratic processes that inhibit flexibility. For instance, excessive formalization can create barriers to communication and collaboration, leading teams to focus on individual objectives rather than shared

organizational goals (Mohamed Rahim et al., 2024). This misalignment not only reduces the effectiveness of projects but also fosters a culture of blame rather than accountability. Consequently, organizations may find themselves unable to adapt quickly to new opportunities or threats, resulting in lost market share and diminished customer satisfaction.

Formalization can play a pivotal role in addressing these challenges by providing a structured framework that enhances clarity while still allowing for flexibility. By implementing enabling formalization—where rules and procedures support agile practices—organizations can create an environment that encourages rapid decision-making and cross-functional collaboration (Bachmann et al., 2020). This approach helps to streamline processes while ensuring that teams remain aligned with strategic objectives. The point of departure lies in recognizing that formalization does not inherently conflict with agility; rather, it can be leveraged to foster an agile culture that promotes responsiveness and innovation.

Addressing these issues identified above is crucial for organizations seeking to develop effective strategies that harmonize formalized processes with agile methodologies, thereby enhancing their ability to navigate the complexities of modern business environments successfully.

Aim of the Study
The aim of this study is;
   i.   to examine the relationship between formalization and sense agility
   ii.   to evaluate the relationship between formalization and decision-making agility
   iii.   to determine the relationship between formalization and act agility

Hypotheses
H_{01}: there is no significant relationship between formalization and sense agility
H_{02}: there is no significant relationship between formalization and decision-making agility
H_{03}: there is no significant relationship between formalization and act agility

Literature Review
Theoretical Foundations
Dynamic Capabilities Theory: The theory that best suits the study of the relationship between organizational formalization and organizational agility is the Dynamic Capabilities Theory. This theory is of that organizations must develop specific capabilities to adapt, integrate, and build internal and external competencies to address business challenges in environments that are rapidly changing (Teece, 2007). In the context of organizational agility, dynamic capabilities enable organizations to sense opportunities and threats, seize them, and transform their operations accordingly. This need to adapt is crucial in environments characterized by uncertainty and rapid change, where traditional formalization structures may hinder responsiveness.

Dynamic Capabilities Theory is particularly relevant when examining how formalization impacts agility. High levels of formalization can create rigid structures that limit an organization's ability to respond quickly to market changes. However, organizations that cultivate dynamic capabilities can use their formalized processes as a foundation for agility rather than a constraint. For instance, by fostering a culture of continuous learning and innovation, organizations can maintain necessary formal structures while enhancing their ability to pivot in response to new challenges (Eisenhardt & Martin, 2000). This

balance allows organizations to leverage their formalization for strategic advantage while remaining agile.

Moreover, empirical studies have demonstrated the applicability of Dynamic Capabilities Theory in various sectors. For example, research has shown that organizations with robust dynamic capabilities can effectively utilize big data analytics to enhance their agility and innovation performance (Kamble et al., 2024). This finding underscores the importance of integrating technological advancements into organizational processes while maintaining flexibility. The ability to adapt these processes in response to external pressures is a hallmark of dynamic capabilities and is essential for achieving agility by organizations in today's fast-paced business landscape.

Dynamic Capabilities Theory provides a comprehensive framework for understanding the interplay between organizational formalization and agility. It emphasizes the need for organizations to develop adaptive capabilities that allow them to navigate complex environments successfully. By focusing on dynamic capabilities, researchers can better understand how formalization can be structured to support rather than hinder agility, ultimately leading to improved organizational performance.

Conceptual Review
Formalization
Organizational formalization is a critical concept in management that refers to the extent to which policies, rules, and procedures, are documented and enforced within an organization. It establishes a structured framework that guides employee behavior and decision-making, ensuring consistency and predictability in operations. Formalization can take various forms, including written policies, job descriptions, and standard operating procedures. This structured approach is essential for organizations seeking to achieve specific goals while maintaining efficiency and accountability among their members (AIHR, 2023).

The impact of formalization on organizational performance has been the subject of extensive research. Studies indicate that a higher degree of formalization can lead to improved operational performance by reducing role ambiguity and conflict among employees. For instance, formalized rules and procedures provide clear expectations, which can enhance coordination and reduce misunderstandings in task execution (Skorková, 2020). Moreover, formalization facilitates better communication within the organization, allowing for a smoother flow of information between departments and improving overall organizational effectiveness (Roderic UV, 2018). However, it is important to note that excessive formalization may stifle creativity and innovation by imposing rigid structures that limit employee autonomy.

Furthermore, formalization plays a significant role in fostering organizational commitment among employees. When employees understand their roles and responsibilities through clearly defined rules and procedures, they will tend to have a sense of belonging as well as being more commited to the organization. This relationship is further moderated by factors such as self-monitoring, where employees who actively engage in self-assessment are better able to align their behaviors with organizational expectations. Thus, the interplay between formalization and individual commitment underscores the importance of balancing structure with flexibility to promote both employee satisfaction and organizational performance.

Organizational Agility

Organizational agility has emerged as a critical concept in contemporary business literature, reflecting the need for organizations to adapt swiftly to dynamic market conditions. Defined as the ability to respond rapidly and effectively to changes, organizational agility encompasses various dimensions, including strategic, operational, and individual levels (Gong & Ribiere, 2023). The fragmentation of existing literature highlights a lack of consensus on the fundamental characteristics and mechanisms that underpin agility in organizations. Recent studies have identified key factors such as culture, technology, and workforce engagement as essential components that facilitate organizational agility (Claus, 2021; Walter, 2021). This literature review aims to synthesize these findings and explore the implications of organizational agility for both theory and practice.

Extant literature reveals that organizational agility is closely linked to an organization's ability to being innovative in order to maintain competitive advantage in turbulent environments (Matthiae & Richter, 2021). Fostering organizational agility is essential for navigating the complexities of today's business landscape. The literature indicates that organizations must develop competencies that allow them to sense changes in their environment and respond proactively (Kalaignanam et al., 2021). As businesses continue to face unprecedented challenges, understanding the multidimensional nature of organizational agility will be crucial for sustaining performance and achieving long-term success.

Sense Agility: Organizational agility is increasingly recognized as a critical capability for firms operating in dynamic environments. Central to this concept is sense agility, which refers to an organization's ability to quickly perceive and interpret changes in its environment, thereby enabling timely and effective responses. This capability not only enhances an organization's adaptability but also supports its strategic decision-making processes. Research indicates that organizations with strong sense agility can better navigate uncertainties and capitalize on emerging opportunities, ultimately leading to improved performance outcomes (Adeniji et al., 2024).

The interplay between sense agility and other organizational capabilities is also significant. For instance, leadership plays a crucial role in fostering an environment conducive to agile practices. Effective leaders encourage a culture of continuous learning and responsiveness, which enhances the organization's ability to sense changes and adapt accordingly. Studies have shown that organizations that prioritize leadership development alongside agility initiatives tend to achieve greater success in implementing agile frameworks (AlNuaimi et al., 2022). Furthermore, the integration of information technology (IT) has been identified as a key enabler of sense agility, facilitating real-time data analysis and communication across organizational levels (Carvalho et al., 2023).

Moreover, the relationship between sense agility and organizational structure cannot be overlooked. A flexible organizational structure that promotes collaboration and cross-functional teams can significantly enhance an organization's ability to sense changes in the market (Akunne & Ibrahim, 2021). This structural adaptability allows for quicker decision-making processes and fosters innovation, which are essential components of organizational agility. In contrast, rigid structures may hinder responsiveness and limit the organization's capacity to effectively leverage its sensing capabilities.

Sense agility serves as a vital proxy for organizational agility, influencing how organizations perceive and respond to environmental changes. The literature highlights the importance of leadership, IT integration, and flexible organizational structures in enhancing sense agility. As organizations continue

to face rapid changes in their operational landscapes, developing these capabilities will be essential for sustaining competitive advantage and achieving long-term success.

Decision making agility: Decision-making agility is increasingly recognized as a critical component of organizational agility, enabling organizations to respond swiftly and effectively to dynamic environments. This concept refers to the ability of organizations to make informed decisions rapidly, adapting to changes in the market or internal conditions. Research indicates that decision-making agility is influenced by various factors, including leadership styles, organizational culture, and employee empowerment. For instance, leadership agility has been shown to significantly enhance organizational agility by fostering a culture that values adaptability and quick decision-making processes (Hidayat et al., 2023).

Furthermore, the integration of knowledge management practices plays a pivotal role in enhancing decision-making agility. A study conducted in Palestinian universities highlighted that employee empowerment and knowledge management directly impact decision-making agility, with extra-role performance serving as a mediating factor (Al-Mahmoud et al., 2023). This suggests that organizations that empower their employees and facilitate knowledge sharing are better positioned to make agile decisions, thereby improving their overall performance and adaptability.

The advent of digital technologies has also transformed decision-making processes within organizations. The use of artificial intelligence (AI) has been identified as a significant enhancer of decision-making agility, particularly in supply chain management. Research indicates that AI can improve data processing speeds and prediction accuracy, which are crucial for timely decision-making (Adebayo et al., 2024). This technological integration not only streamlines decision-making processes but also supports organizations in navigating complex market dynamics more effectively.

Decision-making agility serves as a vital proxy for organizational agility, influenced by leadership qualities, employee engagement, knowledge management practices, and technological advancements. Organizations that prioritize these elements are likely to experience enhanced adaptability and responsiveness in an ever-changing business landscape. As research continues to evolve in this area, further exploration into the interplay between these factors will be essential for developing comprehensive frameworks that support agile decision-making practices.

Acting Agility: Acting agility, as a proxy for organizational agility, has emerged as a crucial concept in management literature, particularly in the context of rapidly changing business environments. It refers to an organization's ability to respond swiftly and effectively to market changes, customer demands, and competitive pressures. Research indicates that organizations with high acting agility can adapt their strategies and operations more efficiently, leading to improved performance outcomes (Teece, 2007). This agility is often linked to the flexibility of organizational structures and processes, which facilitate quicker decision-making and resource allocation (Dove, 2001).

The role of leadership in fostering acting agility has been extensively studied. Leaders who promote a culture of innovation and responsiveness are essential for developing agile organizations. They encourage team collaboration and empower employees to make decisions that align with organizational goals (Sambamurthy et al., 2003). Moreover, transformational leadership styles have been found to positively influence acting agility by inspiring teams to embrace change and pursue continuous

improvement (Avolio & Bass, 1991). This highlights the interplay between leadership practices and the development of agile capabilities within organizations.

Technological advancements also play a significant role in enhancing acting agility. The integration of digital tools and platforms enables organizations to gather real-time data, analyze market trends, and adjust their strategies accordingly (Bharadwaj et al., 2013). For instance, companies leveraging big data analytics can make informed decisions that enhance their responsiveness to customer needs (Wang et al., 2016). This technological empowerment not only accelerates decision-making processes but also fosters a proactive approach to market challenges.

Furthermore, the measurement of acting agility remains a pivotal area of research. Various frameworks have been proposed to assess the dimensions of agility within organizations, including responsiveness, flexibility, and adaptability (Yusuf et al., 1999). Understanding these dimensions allows organizations to identify gaps in their agility practices and develop targeted strategies for improvement. As the business landscape continues to evolve, ongoing research into acting agility will be vital for guiding organizations toward sustainable competitive advantages.

Empirical Review

The relationship between formalization and organizational agility has been explored in various studies, each contributing unique insights into how these constructs interact within different contexts. Alsharif (2023) investigated how competition intensity of SMEs moderate the relationship between environmental turbulence and organizational agility. The research focused on small and medium-sized enterprises (SMEs) in Saudi Arabia. Utilizing a quantitative cross-sectional research design, data were collected from 1,256 SMEs. The statistical analysis revealed that competition intensity acts as a moderator in the relationship between environmental turbulence and organizational agility, suggesting that higher competition can enhance agility in turbulent environments.

Lee (2023) examined how employee relationship management relates with organizational agility with employee empowerment mediating the relationship in the consumer goods sector. The study targeted the consumer goods sector in Turkey and employed a survey method to gather data from 358 respondents using closed-ended questionnaires. The analysis utilized structural equation modeling, which demonstrated that effective employee relationship management significantly impacts organizational agility through the mediating role of employee empowerment. The findings signposts the significance associated with empowering company employees to improve organizational responsiveness.

Another significant contribution is from Gupta (2023) in the relationship between digital leadership and organizational agility with individual motivation mediating the relationship. This study was conducted among 480 employees in Istanbul, Turkey, using a survey instrument comprising various scales related to digital leadership and organizational agility. The analysis involved t-tests and ANOVA, concluding that individual motivation mediates the relationship between digital leadership and organizational agility, highlighting the necessity for organizations to foster digital leadership to enhance agility.

Smith (2024), conducted a study on the relationship between job redesigning, reskilling and upskilling on organizational agility, the focus was on three service provider industries in Lebanon. The research design included two surveys targeting 384 employees and 67 HR managers. The analysis revealed a significant and positive relationship between job redesign and the implementation of skilling

programmes, which collectively enhance organizational agility by improving employees' readiness for change.

Torres (2024) examined the relationship between digital leadership and innovative behavior and organizational agility with work engagement playing the mediating role. The study involved 494 participants across various sectors. Using structural equation modeling for data analysis, it found that work engagement partially mediates the effects of both digital leadership and innovative behavior on organizational agility. This indicates that fostering engagement is crucial for leveraging digital leadership to achieve agile outcomes.

Empirical Review
Formalization and Sense Agility
Eisele and Brettel (2021) examined the relationship between value creation through strategic investments in digital technologies with organizational agility serving as a mediating variable. The study was conducted in Europe. The researchers developed a conceptual model through a literature review, proposing that digital business intensity positively affects competitive advantage, mediated by sensing and responding agility. Although this study did not involve sampling, it suggests that formalization through digital investments can enhance an organization's agility in sensing market changes.

In Pakistan, Shahbaz et al. (2021), studied supply chain capabilities by investigating how market sensing, supply chain agility, and adaptability affect supply chain ambidexterity. This quantitative survey-based study employed structural equation modeling (SEM) to analyze data collected from manufacturing firms. The findings indicated that market sensing positively impacts supply chain agility, which enhances ambidexterity. The study suggests that formalization in processes facilitates better market sensing capabilities.

Eisele (2020) also explored this theme on how business intelligence and communication technologies influence organizational agility. Although the geographical context is not specified, the research utilized a configurational approach with case studies. The qualitative analysis focused on configurations and revealed that the formalized use of business intelligence and communication technologies promotes organizational agility by improving sensing capabilities.

Awan et al. (2020) examined the moderating effect of environmental turbulence on the strategic agility-performance relationship in their study titled "The moderating effect of environmental turbulence on the strategic agility-performance relationship," conducted in Nigeria. Using a cross-sectional survey design, they gathered data from 515 managers in oil and gas marketing companies. The inferential statistics showed that strategic agility positively affects performance, moderated by environmental turbulence. This implies that formalized structures can enhance an organization's agility in dynamic environments.

Formalization and Decision-making Agility
Khan et al. (2024) assessed team delivery capability and agility: complementary effects on information systems development project outcomes. The research, conducted in the context of contemporary information systems development, utilized survey data from 160 software development professionals. The methodology included a quantitative approach with structural equation modeling to analyze the data. The findings indicated that delivery capability positively affects agility, which in turn enhances

change-response outcomes, highlighting the importance of formalized processes in fostering agile responses to project changes.

Another notable study is Musa et al. (2024), which examined supply chain agility in humanitarian organizations: examining the role of self-organization, information integration and adaptability in South Sudan. This research employed a structured questionnaire survey targeting 86 humanitarian organizations and analyzed the data using partial least square structural equation modeling. The study found that self-organization significantly influences supply chain agility both directly and indirectly through adaptability. This suggests that formalization through structured self-organizing practices can enhance an organization's agility in dynamic environments.

Shah et al. (2023) contributed to this discourse with their article on how to achievie software development agility: different roles of team, methodological and process factors." Conducted among 160 software development professionals, this study utilized a survey methodology and structural equation modeling for data analysis. The results supported a model linking team variables and methodological factors to process variables, ultimately influencing software development agility. This reinforces the notion that formalized team structures and methodologies are crucial for enhancing agile capabilities.

In a different geographical context, Gholami et al. (2018) explored the relationship between quantum management and organizational agility in ministry of roads and urban development of golestan province, Iran. This correlation-descriptive study involved 166 employees from the Ministry, with data analyzed through correlation and regression analysis techniques. The findings revealed a significant positive relationship between quantum management practices and organizational agility, suggesting that formalized management approaches can predictably enhance agility.

Adebayo et al. (2020) investigated the moderating effect of environmental turbulence on the strategic agility-performance relationship: Empirical evidence from Lagos State, Nigeria. Utilizing a cross-sectional survey design with a population of 515 managers from oil and gas marketing companies, the research employed descriptive statistics and regression analyses. The findings indicated that strategic agility positively correlates with performance while environmental turbulence moderates this relationship, emphasizing the need for formalized strategic frameworks to maintain performance amidst uncertainty.

Formalization and Acting Agility

Ekweli (2020) explored the relationship between process innovation and organizational agility in the banking sector of Nigerian economy. Conducted in Nigeria, this research utilized a cross-sectional survey design involving 36 top and middle managers from 18 deposit money banks. The findings revealed a significant relationship between process innovation and organizational agility, specifically indicating that process innovation positively influenced acting agility, which is crucial for adapting to market changes.

Another relevant study is by Jafarzadeh et al. (2012) conducted a study to find out how organizational structure relates with organizational agility in the insurance industry. The study was carried out in Iran, focusing on a sample of 73 employees selected randomly from a larger population of 300 in an insurance company. The study employed a questionnaire for data collection, with reliability confirmed through Cronbach's alpha. The analysis using SPSS indicated a significant relationship between formalization and organizational agility, suggesting that formalized structures can enhance agility within organizations 6.

Mazzoleni et al. (2023) examined the interplay between digitalization and human IT agility among Italian SMEs. Utilizing a POSET approach to analyze microdata from 4,682 manufacturing companies, this research found a strong relationship between digitalization propensity and human IT agility. The findings suggest that as organizations formalize their digital processes, they also enhance their capacity for agile responses to market demands.

Methodology

The research design functions as a conceptual framework that guides the systematic gathering and examination of data (Bryman & Bell, 2011). For the present study, cross-sectional research design was adopted. The selection of a cross-sectional approach was deemed suitable for this study due to the absence of direct researcher monitoring of the participants, who are primarily employees of QSRs (Pawar, 2020). The study included a sample of staff members of 10 operational QSRs located in Port Harcourt, which were considered representative of the whole population (210 employees) for the research. The sample size of this study was determined mathematically using the Taro Yamane's formula which resulted in a sample size of 138 employees. Primary data were collated through a well-structured questionnaire with four point Likert scale. The assessment of data dependability was conducted with the Cronbach Alpha test, with a pre-set threshold of 0.7. The research instrument had essential alterations and modifications due to this facilitation. The reliability of the instrument was assessed using the Cronbach Alpha test, with the support of the Statistical Package for Social Sciences (SPSS, 23.0) and resulted to a value of 0.754. Partial least Square Structural Equation Modeling was deployed to test the hypotheses of the study.
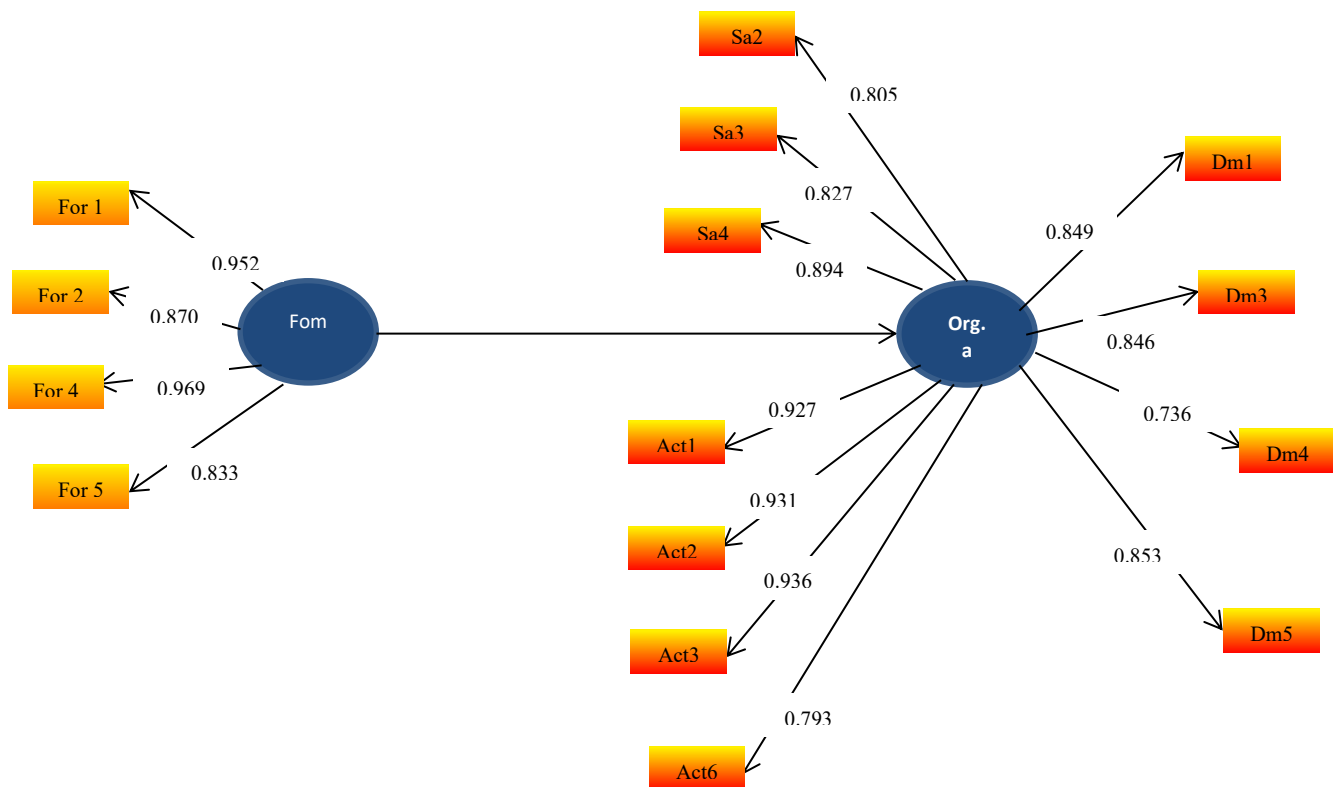
Results and Discussion of Findings

Figure 1.1: Structural Path Model showing relationship between dimensions of FOR and ORG.A

Source: Smart PLS output, 2025

Table 1: Path Analysis Result of Relationship between dimension of recognition and Table

Hypothesized Path	P-Value	Standard	T Value	Decisions	f-Squared	Effect size
1. FOR x ORG.A	0.000	0.013	7.222	Not Supported	3.442	Large

Source: The Researcher's Computation (2025).

The Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis in the provided study examines the relationship between formalization (For), sense agility (SA), decision-making agility (DM. A), act agility (Act. A), and organizational agility (Org.A). The model evaluates how formalized structures within an organization contribute to its overall agility across different dimensions.

Path Analysis and Model Interpretation

In the path analysis, the relationship between formalization and organizational agility is tested. The path from formalization to organizational agility shows a p-value of 0.000, indicating statistical significance. The T-value is 7.222, which confirms the robustness of the relationship. However, despite these statistically significant results, the decision indicates that this path is "Not Supported." This suggests that, while formalization plays a role, its direct impact on organizational agility is not straightforward and may be influenced by other factors.

The effect size (f-squared) for this path is 3.442, categorized as large. This large effect size highlights the substantial influence of formalization on organizational agility, even though the direct path is not supported. This discrepancy suggests the need for further investigation into the mediating or moderating factors that might influence this relationship.

Formalization and Sense Agility (SA): Research, such as Eisele and Brettel (2021), suggests that formalization, especially through digital investments, enhances an organization's ability to sense market changes. This improvement in sense agility is crucial for maintaining a competitive advantage. The structured approach in sensing market trends allows organizations to better anticipate and respond to environmental changes.

Formalization and Decision-Making Agility: Studies like Khan et al. (2024) and Musa et al. (2024) emphasize the importance of formalization in fostering decision-making agility. Formal processes and structures provide a framework for organizations to make quick, informed decisions, which is essential in dynamic and fast-paced environments. These findings indicate that formalization can streamline decision-making processes, enhancing an organization's agility.

Formalization and Acting Agility: The impact of formalization on acting agility is also supported by empirical studies. For instance, Ekweli (2020) demonstrates that process innovation, a form of formalization, significantly improves acting agility within the banking sector. Similarly, Jafarzadeh et al. (2012) show that formalized organizational structures enhance the ability to act swiftly in response to market changes. These findings suggest that formalized systems and processes are critical in enabling organizations to implement actions promptly and effectively.

Conclusion and Implication for Practice

The article emphasizes the critical importance of organizational agility in today's rapidly evolving business landscape, where technological advancements and market dynamics are constantly shifting. It discusses how agile organizations can respond quickly to changes, fostering innovation and improving overall efficiency. The interplay between formalization and agility is highlighted, with a focus on balancing structured processes and flexibility to optimize organizational responsiveness. The study suggests that while some degree of formalization is necessary for consistency, excessive rigidity can impede agility. The Dynamic Capabilities Theory is proposed as a framework to understand how organizations can develop the necessary adaptive capabilities to thrive in uncertain environments.

The implications for practice suggest that organizations should carefully assess their level of formalization to ensure it supports rather than stifles agility. Leaders are encouraged to foster a culture that values continuous learning and innovation, integrating agile practices into their formalized structures. Recommendations include adopting flexible approaches to formalization, enhancing employee empowerment, and leveraging digital leadership to navigate the complexities of modern business environments effectively. Future research should focus on operationalizing these concepts across various sectors to provide more comprehensive insights into the optimal balance between formalization and agility for sustained organizational success.

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