

Entrepreneurship in the Development of an Agile Enterprise

Raheel Ur Rehman

raheelrehman6723@gmail.com

Received: 17 Jul 2023; Received in revised form: 20 Aug 2023; Accepted: 28 Aug 2023; Available online: 06 Sep Aug 2023

Abstract— *With the escalating significance of adaptability within modern organizations, it becomes crucial to explore the means of comprehending the distinct traits exhibited by agile enterprises. Consequently, the objective of this research paper revolves around pinpointing the manifestations of entrepreneurial behavior within an agile enterprise, along with the strategic consequences of fostering agility. This study draws insights from literature in both entrepreneurship and strategic management, in conjunction with a detailed case study. The research article initiates by delving into the contextual landscape of entrepreneurship, subsequently transitioning to an exploration of the attributes inherent to agile enterprises. The outcomes gleaned from this research notably underscore the defining features of an agile enterprise operating within the contemporary business milieu. The findings distinctly underscore that qualities like entrepreneurial resourcefulness and strategic leadership significantly amplify an organization's capacity to effectively contend in an increasingly competitive and dynamic business sphere.*

Keywords— *Entrepreneurship, Agile Enterprise, Entrepreneurial Resourcefulness, Acuity, Strategic Leadership, Flexibility.*

I. INTRODUCTION

The emergence of the Internet marks the initiation of a new era: the digital age. In contrast to the industrial age, the pace of transformations in the digital age maintains an incessant and less foreseeable momentum. Given the acceleration of these changes, scholars underscore the paramount importance of agility (Brueller et al., 2014; Fourné et al., 2014; Lewandowska and Sajdak, 2013; Weber and Tarba, 2014). This concept signifies the capability to outpace competitors and consistently recalibrate a firm's strategic trajectory. This involves a series of enterprising actions complemented by strategic thought processes, including cultivating dynamic capabilities and retaining adaptability in the face of dynamic shifts.

Entrepreneurial behavior pertains to the actions and conduct of entrepreneurs within the business environment. Delving into entrepreneurial behavior reveals that agility constitutes a pivotal facet of entrepreneurship. Entrepreneurial undertakings fundamentally rest upon the capacity to mobilize essential resources to seize market opportunities. An agile enterprise necessitates the evaluation of its

resource adequacy and the potential construction or acquisition of vital resources externally. This encompasses harnessing the knowledge and expertise of key business partners, often through the creation of strategic networks or partnerships, to amplify their own capabilities.

This research paper's objective lies in identifying instances of entrepreneurial behavior within an agile enterprise and assessing their influence on business adaptation to novel challenges. While entrepreneurship has garnered burgeoning attention in academic discourse, scant research has scrutinized the analysis of entrepreneurial behaviors in the context of agility. The research paper probes diverse forms of entrepreneurial activities and elucidates the attributes characterizing an agile enterprise. The paper concludes by offering a reflective remark, deliberating on the theoretical contribution and managerial ramifications of the research findings.

II. ENTREPRENEURIAL BEHAVIOR

In the realm of academic literature, diverse interpretations of entrepreneurship abound. While certain scholars

This article can be downloaded from here: www.ijaems.com

30

©2023 The Author(s). Published by Infogain Publication, This work is licensed under a Creative Commons Attribution 4.0 License.

<http://creativecommons.org/licenses/by/4.0/>

emphasize the process enacted by entrepreneurs (e.g., Alvarez and Barney, 2007; Hitt et al., 2001; Shane and Venkataraman 2000), others place weight on the inherent traits of entrepreneurs (e.g., Casson, 2014; Drucker, 1998; Timmons, 1989). For instance, Peter Drucker contends that entrepreneurs commit themselves to the "systematic practice of innovation" (Drucker, 1998: 149). Conversely, Lumpkin and Dess (1996) and Hitt et al. (2001) underline entrepreneurship as the catalyst for new venture creation.

A burgeoning field within entrepreneurship research spotlights entrepreneurs' pursuit of opportunities. Scholars like Shane and Venkataraman (2000) and Short et al. (2010) posit that opportunities constitute the cornerstone of entrepreneurship. As Shane and Venkataraman (2000: 220) assert, "To have entrepreneurship, you must first have entrepreneurial opportunities." Correspondingly, Short et al. (2010: 40) state, "Without opportunity, there is no entrepreneurship." Kurczewska (2013) defines "opportunity" as prospects and potentialities for undertaking novel endeavors, ones that have yet to be realized or executed in a specific manner, but are deemed viable, appealing, and value-enhancing. Academic portrayals of 'opportunity' align with its conventional connotations. In the entrepreneurship domain, the widely referenced definition of entrepreneurial opportunity hails from Shane and Venkataraman (2000). They define opportunities as "situations in which new goods, services, materials, or methods of organization can be sold at a price higher than the price of their production" (Shane and Venkataraman, 2000: 220). Kurczewska (2013) also emphasizes that opportunities encompass scenarios where businesses utilize diverse resources, forging novel connections between utilization methods and achievable objectives, all while envisioning profitability.

These aforementioned definitions vividly portray the stance adopted by researchers in the entrepreneurship sphere, underscoring its role in shaping an agile enterprise whose chief objective lies in the adept adaptation to the ever-evolving environment through effective entrepreneurial endeavors, among other factors. This affirmation aligns with Kurczewska's assertion (2013) that the swiftness of idea implementation is of paramount importance in the contemporary milieu of rapid social progress. In such an environment, where the lifecycle of products and services has dramatically shortened, and technical and technological advancements burgeon at an unprecedented pace, the capability to identify requisite resources for capitalizing on market opportunities and appraise the sufficiency of internal resources, along with the potential to procure external resources, forms the bedrock for identifying innovative necessities (Sajdak, 2013).

Entrepreneurial orientation, in part, elucidates the managerial processes and operational activities that propel certain companies ahead of competitors (Wiklund and Shepherd, 2003). Lumpkin and Dess (1996) define entrepreneurial orientation as a synthesis of five dimensions: proactiveness, innovativeness, competitive aggressiveness, risk-taking, and autonomy. While the first two attributes bear a forward-looking orientation, the latter three are intertwined with change-driven actions. Collectively, an organization embracing entrepreneurial orientation is more likely to channel their focus and exertion towards recognizing and realizing opportunities (Wiklund and Shepherd, 2003). The table below expounds upon each dimension, providing an elaborate depiction of their characteristics.

Table 1: Aspects of Entrepreneurial Orientation

EO dimensions	Description
Autonomy	refers to the ability and will to be self-directed in the pursuit of opportunities
Innovativeness	reflects a firm's tendency to move beyond current practices and support novel ideas that may result in new ways of doing things
Risk taking	refers to a firm's willingness to depart from established practices into unknown field
Proactiveness	refers to a firm's capability to seize the initiative in the marketplace
Competitive aggressiveness	refers to a firm's propensity to challenge its competitors to outperform industry rivals in the marketplace.

Source: (Lumpkin and Dess 1996)

The depiction of the five dimensions of entrepreneurial orientation presented by Lumpkin and Dess (1996) underscores the pertinence of agility. The concept of agility has its foundations deeply entrenched in the realm of strategic management (Sambamurthy et al., 2003). Strategic management involves navigating decisions amidst various strategic maneuvers aimed at attaining a competitive edge within a tumultuous environment (Hitt et al., 2001). Analogous to entrepreneurship, wealth creation forms the nucleus of strategic management. Whereas entrepreneurship is primarily focused on creation (Drucker, 1998; Lumpkin and Dess, 1996; Shane and Venkataraman, 2000), strategic management orbits around fostering capabilities and upholding competitive advantage (Hitt et al., 2001; Porter, 1991; Sambamurthy et al., 2003).

The academic discourse in the arenas of both strategic management and entrepreneurship contributes to shaping contemporary perspectives on strategic thinking and entrepreneurial conduct. The amalgamation of entrepreneurial behavior and strategic thinking, in theory, has the potential to enable organizations to adopt a more proactive stance in adapting to the swiftly shifting business landscape. In the ensuing discussion, the attributes characterizing an enterprise will be meticulously examined.

III. AGILE ENTERPRISE ATTRIBUTES

Agility encompasses the capability to swiftly and adeptly respond to shifting markets and evolving customer

demands, achieved through the production of high-quality goods, reduction of lead times, and most crucially, the reconfiguration and mobilization of resources (Sambamurthy et al., 2003). Agile enterprises consistently wield the prowess to effect changes, thereby sustaining their competitive edge. This involves actions like reconfiguring and honing competencies (Weber and Tarba, 2014).

Fourné et al. (2014) elucidated three vital dynamic capabilities that empower multinational enterprises to thrive on a global scale: detecting local opportunities, actualizing global synergies, and appropriating local value. These capabilities empower multinational enterprises to unearth novel prospects and maintain competitive supremacy. Conversely, Sambamurthy et al. (2003) posit that agility encompasses three interrelated capabilities: customer agility, partnering agility, and operational agility. Sambamurthy et al. (2003) contend that timely operations, customer interactions, and collaboration with business partners contribute to the essence of agility. By blending the insights of Fourné et al. (2014) and Sambamurthy et al. (2003), it can be contended that agility entails a sequence of actions undertaken by an enterprise to harmonize its internal and external environments.

Firstly, Sambamurthy et al.'s (2003) concept of operational agility resonates with one of the dynamic capabilities advocated by Fourné et al. (2014): actualizing global synergies. Both studies notably emphasize the significance of resource leverage for ensuring operational efficacy, encompassing aspects such as cost-efficiency, punctuality, and superior quality. Collectively, the findings of Fourné et al. (2014) and Sambamurthy et al. (2003) point towards an integrated and adaptable approach to the internal landscape.

Secondly, the grasp of regional market conditions and adaptation to local values (Fourné et al., 2014) mirrors the need for involving customers in the discovery and commercialization of opportunities (Sambamurthy et al., 2003). The crux of the argument is that products and service offerings should be rooted in market demand. Moreover, agile organizations should cultivate entrepreneurial insight to pursue and capitalize on market opportunities.

Thirdly, Sambamurthy et al. (2003) allude to 'partnering agility' as the ability to leverage the expertise and assets of suppliers, distributors, or manufacturers through collaborative alliances. Similarly, Fourné et al. (2014) underscore the pivotal role of partnerships in sustaining a global market presence. The underlying similarity lies in the imperative of harnessing key assets to counteract the limitations posed by scarce resources. Enterprises aiming to seize market opportunities necessitate access to pivotal resources. Given the challenges posed by scarce resources,

partnering emerges as an attractive avenue for companies to optimally capitalize on commercial prospects.

In essence, the attainment of agility profoundly impacts an enterprise's capacity to forge a competitive advantage, enabling it to promptly and effectively fulfill market demands in a tumultuous environment. Enterprises equipped with swift responsiveness and fitting competencies stand poised to exploit the opportunities inherent in the economic landscape, thereby securing an advantageous stance vis-à-vis competitors.

The notion of the agile enterprise primarily serves to elucidate how organizations engineer and sustain competitive advantages through the mobilization of resources. An agile enterprise doesn't merely respond to alterations; it initiates them. Consequently, the crux of comprehending the agile enterprise hinges on delineating how enterprises choreograph their resources and, more crucially, unraveling the attributes emblematic of agility.

Enterprises require a repertoire of competencies that empower them to nimbly exploit market prospects and promptly navigate the rapidly evolving business milieu. The author conceptualizes these attributes as follows:

Acuity revolves around the routines an enterprise crafts to meticulously observe and dissect market dynamics. This encompasses strategic long-term planning, intermittent SWOT analyses, market research, and consumer insights. Such endeavors are pivotal in bolstering and augmenting the competitive edge of an enterprise. Alongside identifying market prospects through strategic analyses, companies should employ early warning systems or devise effective methodologies to scrutinize the market environment for optimized business operations (Trzcielinski, 2011). A robust market analysis lays the groundwork for innovation and creativity. Collaborative endeavors with customers often aid in understanding consumer needs and unearthing potential market prospects (Sambamurthy et al., 2003). This market-driven or consumer-centric innovation thrives on extensive consumer engagement and validated market requisites.

Another pivotal dimension centers on operational activities tied to information technology. In the digital era, the adoption of information technology—such as Customer Relationship Management, Search Engine Optimization, and social media—assumes paramount significance. Consequently, digital marketing initiatives and IT strategies emerge as integral components of contemporary organizational operations. While digital marketing activities aim to attract new customers, the management of customer knowledge ensures the satisfaction of existing clientele. In essence, the role of IT in the contemporary

business landscape is formidable, particularly when viewed through the lens of acuity.

Flexibility denotes the capacity to rearrange existing resources and the aptitude to adapt essential measures and oversee changes (Trzcielinski, 2011). This implies the willingness to accommodate errors and embrace enhancements, particularly relevant for manufacturing entities. The notion of a flexible manufacturing system pertains to a production process that permits swift adjustments to manufacture diverse products at varying production volumes (Krupski, 2008). The crux of a flexible manufacturing system lies in its efficiency and its agility to embrace alterations. In a significant alignment with this, the concept of operational agility propounded by Sambamurthy et al. (2003) underscores flexibility. It encapsulates an organization's capability to identify and execute changes promptly, enabling swift reconfigurations and adaptations to existing processes in response to shifts. Additionally, the role of Information Technology (IT) is pivotal in fostering business agility within the digital age. Information technology serves as an enabler of operational agility by dictating a firm's capacity to process and store information. Given the rising reliance of firms on IT as a competitive tool, it substantively facilitates such agility (Sambamurthy et al., 2003).

Entrepreneurial Resourcefulness is intrinsically tied to the knack for transforming weaknesses into strengths and converting market threats into opportunities by optimally leveraging available resources. Resourceful entrepreneurs proactively seek alternative avenues to achieve their objectives; they enhance existing products and processes to bolster productivity and performance. In agile enterprises, resourcefulness encompasses the ability to gauge resource sufficiency, augment and cultivate current resources, and harness vital assets from business partners. Moreover, entrepreneurial resourcefulness aligns with the capacity for innovation. Nurturing enduring relationships with pivotal stakeholders—such as suppliers, distributors, and customers—forms the bedrock of business triumph (Sambamurthy et al., 2003). From an economic standpoint, relationship-building curtails marketing expenses, as loyal customers make recurring purchases over time. Similarly, a robust rapport with suppliers reduces procurement costs, as loyal customers often receive trade discounts. In terms of the resource-based perspective, relational capital signifies the connections between diverse firms, enabling resource exchanges to thrive (Lavie, 2006).

Strategic leadership is characterized by the proficiency to enhance long-term viability while concurrently maintaining short-term financial stability without disturbing day-to-day operations (Rowe, 2001). This orientation focuses on

safeguarding existing structures while propelling organizations toward higher echelons (Rowe and Nejad, 2009). Essentially, it embodies a fusion of visionary leadership and strategic acumen.

IV. CONCLUSION

The prosperity of a company hinges significantly upon its proficiency in rapidly and effectively addressing the external environment, a quality of paramount importance in the swiftly evolving landscape of modern business. This paper centers on entrepreneurial behavior as the cornerstone of identifying and successfully implementing adaptations necessitated by external changes. Such adaptations encompass a spectrum of alterations in managerial strategies, daily operations, marketing approaches, and other facets of business operation. Consequently, qualities intrinsic to entrepreneurship, including a proclivity for risk-taking, a penchant for innovation, and a willingness to embrace novel challenges, assume an indispensable role in steering the company towards progress.

This theoretical research endeavors to outline the attributes underpinning an agile enterprise, thereby enriching the contemporary perspective on enterprise agility. Firstly, the notion of "acuity" pertains to the systematic practices employed by a company to discern opportunities and potential threats within the market. The research expounded in this paper underscores that successful enterprises consistently conduct thorough evaluations, akin to a 'health check-up,' and promptly instigate requisite adjustments in response. Secondly, "flexibility" signifies an enterprise's capacity to both initiate and adeptly accommodate changes. In this context, an agile entity should be poised to allocate resources and time for unforeseen modifications, encompassing unanticipated shifts such as unscheduled production or delays.

Entrepreneurial resourcefulness, as the third attribute within an agile company, encompasses the acumen to identify the essential resources imperative for capitalizing on emergent market prospects. This dynamic entails the discernment to opt for the development of in-house resources, procuring resources externally, or even fostering resource-sharing alliances with other entities. Ultimately, this resourcefulness empowers enterprises to harness their competitive edge. Lastly, the term "strategic leadership" denotes the proficiency to propel a company forward while preserving its fiscal well-being. This form of leadership is adept at navigating the organization toward the next echelon without jeopardizing its financial equilibrium.

In summation, this paper unveils how entrepreneurial behavior, harnessed within an agile framework, plays a

pivotal role in sustaining and advancing company achievements. By promoting attributes such as acuity, flexibility, entrepreneurial resourcefulness, and strategic leadership, businesses can effectively navigate the intricate landscapes of modern business, embracing change and evolving in sync with the ever-fluctuating external environment.

REFERENCES

- [1] Alvarez S.A. and Barney J.B. (2007), "Discovery and creation: alternative theories of entrepreneurial action", *Strategic Entrepreneurship Journal*, Vol. 2, No. 4., pp 11–26. <http://dx.doi.org/10.1002/sej.61>
- [2] Brueller, N. N., Carmeli, A., and Drori, I. (2014), "How Do Different Types of Mergers and Acquisitions Facilitate Strategic Agility?", *California Management Review*, Vol. 56, No. 3, pp. 39-57. <http://dx.doi.org/10.1525/cmr.2014.56.3.39>
- [3] Casson, M. (2014), "Entrepreneurship: A Personal View", *International Journal of the Economics of Business*, Vol. 21, No. 1, pp. 7-13. <http://dx.doi.org/10.1080/13571516.2013.864115>
- [4] Drucker, P. F. (1998), "The Discipline of Innovation", *Harvard Business Review*, Vol. 76, No. 6, pp. 149-157.
- [5] Fourné, S. L., Jansen, J. P., and Mom, T. M. (2014). Strategic Agility in MNEs: Managing Tensions To Capture Opportunities Across Emerging and Established Markets", *California Management Review*, Vol. 56, No. 3, pp. 13-38. <http://dx.doi.org/10.1525/10.1525/cmr.2014.56.3.13>
- [6] Hitt M.A., Ireland R.D., Camp S.M., and Sexton D.L. (2001), "Guest Editors' Introduction to the Special Issue Strategic Entrepreneurship: Entrepreneurial Strategies for Wealth Creation," *Strategic Management Journal*, Vol. 22, No. 6/7, pp. 479-491. <http://dx.doi.org/10.1525/10.1002/smj.196>
- [7] Krupski R. (2008), *Elastycznosc organizacji*, Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu, Wrocław.
- [8] Kurczewska A. (2013), *Przedsiębiorczosc*, Polskie Wydawnictwo Ekonomiczne, Warszawa, pp. 82 – 83.
- [9] Lavie, D. (2006), "The competitive advantage of interconnected firms: An extension of the resource-based view", *Academy of management review*, Vol. 31, No. 3, pp. 638-658. <http://dx.doi.org/10.5465/AMR.2006.21318922>
- [10] Lewandowska A. and Sajdak M. (2013), "Consequences of value-based management for developing the organisational agility potential of a family business" [in:] Marcela Rebeca Contreras Loera, Łukasz Sułkowski, Andrzej Marjanski, *Development of small and medium – sized enterprises – an international perspective*, Studies and Monographs No. 48, Wydawnictwo Społecznej Akademii Nauk, Łódź – Sinaloa.
- [11] Lumpkin G.T., Dess G.G. (1996), "Clarifying the entrepreneurial orientation construct and linking it to performance", *Academy of Management Review*, Vol. 21, No. 1, pp. 135 – 172. <http://dx.doi.org/10.5465/AMR.1996.9602161568>
- [12] Porter, M. E. (1991), "Towards a dynamic theory of strategy", *Strategic Management Journal*, Vol. 12, No. S2, pp. 95–117. <http://dx.doi.org/10.1002/smj.4250121008>
- [13] Rowe, W. G. (2001), "Creating wealth in organizations: The role of strategic leadership", *The Academy of Management Executive*, Vol. 15, No. 1, pp. 81-94. <http://dx.doi.org/10.5465/AME.2001.4251395>
- [14] Rowe, G. and Nejad H. (2009), "Strategic leadership: short term stability and long-term viability", *Ivey Business Journal*, Vol. 73, No. 5, available from: <http://iveybusinessjournal.com/publication/strategic-leadership-short-termstability-and-long-term-viability/> [Accessed on 5 November 2015].
- [15] Sajdak M. (2013), "Innowacyjnosc jako niezbedna cecha zwinnego przedsiebiorstwa", *Nauki o Zarzadzaniu*, Vol. 1, No. 14, Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu.
- [16] Sambamurthy V., Bharadwaj A., Grover V. (2003), "Shaping agility through digital options: reconceptualizing the role of information technology in contemporary firms", *MIS Quarterly*, Vol.27, No.2, pp. 237 – 263.
- [17] Shane S. and Venkataraman S. (2000), "The promise of entrepreneurship as a field of research", *Academy of Management Review*, 25(1), pp. 217 – 226. <http://dx.doi.org/10.5465/AMR.2000.2791611>
- [18] Short J.C., Ketchen D.J., Shook C.L., Ireland R.D. (2009), "The Concept of Opportunity in Entrepreneurship Research: Past Accomplishments and Future Challenges", *Journal of Management*, Vol. 36, No. 1, pp. 40-65. <http://dx.doi.org/10.1177/0149206309342746>
- [19] Tang, Z. and Rothenberg, S. (2009), "Does Perceptual Acuity Matter? An Investigation of Entrepreneurial Orientation, Perceptual Acuity, and Firm Performance", *Journal of Enterprising Culture*, Vol. 17, No. 1, pp. 79-102. <http://dx.doi.org/10.1142/S0218495809000278>
- [20] Timmons, J. A. (1989), *The Entrepreneurial Mind*, USA: Brick House Publishing Co.
- [21] Trzcielinski S., (2011), *Przedsiębiorstwo zwinne*, Wydawnictwo Politechniki Poznańskiej.
- [22] Weber, Y. and Tarba, S. (2014), "Strategic Agility: State of Art", *California Management Review*, Vol. 56, No. 3, pp. 5-12. <http://dx.doi.org/10.1525/cmr.2014.56.3.5>
- [23] Wiklund, J. and Shepherd, D. (2003), "Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses", *Strategic Management Journal*, Vol. 24, No. 13, pp. 1307–1314. <http://dx.doi.org/10.1002/smj.360>