

Strategic Agility and Competitive Advantage in Digitally Disrupted Industries

Philips, Nwaikpo Ogbonna

Department of Business Administration and Management

University of Yarmouk, Jordan

Email: ponwaikpo@gmail.com

Phone: +234907 - 392 - 8870

Received: 02.02.2026 | Revised: 28.02.2026 | Accepted: 10.05.2026

Abstract

Purpose: This paper examines the relationship between strategic agility and competitive advantage in industries disrupted by digital technologies. With industries facing rapid technological changes and the rise of digital platforms, organizations are required to adapt swiftly and effectively to maintain competitive advantage. This study investigates how organizations employ strategic agility defined as the ability to reconfigure resources and capabilities quickly to sustain their competitive positioning in the face of digital disruptions.

Design/Methodology: The research adopts a quantitative approach, leveraging statistical tools to assess the impact of strategic agility on competitive advantage. A survey-based data collection method was employed, targeting executives and managers across digitally disrupted industries, including retail, technology, and telecommunications. Structural equation modeling (SEM) was used to analyze the relationships between agility dimensions such as responsiveness, adaptability, and innovation and competitive outcomes.

Findings: The study reveals that strategic agility, particularly in its ability to foster rapid innovation and operational adaptability, plays a crucial role in maintaining a competitive advantage in digitally disrupted markets. The results suggest that firms that exhibit high levels of strategic agility are better equipped to respond to changes in market demands, technological advancements, and customer expectations, leading to enhanced market positioning and profitability.

Originality/Value: This paper contributes to the growing body of knowledge on digital transformation and strategic management by providing empirical evidence on the role of strategic agility in achieving competitive advantage. The findings offer valuable insights for managers seeking to enhance organizational agility to navigate digital disruptions effectively.

Keywords

Strategic, Agility, Competitive Advantage, Digital Disruption, Adaptability

1. Introduction

Context and Relevance of Strategic Agility in Digitally Disrupted Industries

The accelerating pace of digital transformation has forced industries to confront unprecedented levels of disruption. From the advent of cloud computing and big data analytics to the rapid growth of artificial intelligence (AI) and automation, organizations are increasingly required to adapt their strategies to remain competitive. Digital disruption not only alters the competitive landscape but also demands that organizations develop the capability to swiftly respond to changes in market conditions, customer preferences, and technological advancements.

Strategic agility, the ability of an organization to adjust its strategies and operations rapidly in response to environmental shifts, has emerged as a key determinant of success in such volatile environments. Scholars and practitioners alike have recognized the importance of agility in enabling organizations to sustain competitive advantage amidst disruption. However, while the concept of strategic agility has been widely discussed, there is still a gap in understanding how its various dimensions contribute to long-term competitive advantage in digitally disrupted industries.

Purpose and Objectives of the Study

This study aims to critically examine the role of strategic agility in achieving and maintaining competitive advantage within industries that have undergone significant digital disruption. The primary research objectives are to:

- i. Investigate the key dimensions of strategic agility that contribute to competitive advantage in digitally disrupted industries.
- ii. Analyze the relationship between these dimensions (e.g., adaptability, responsiveness, innovation) and organizational performance.
- iii. Provide empirical evidence on the strategic capabilities that enable organizations to maintain or enhance their competitive advantage in the digital age.

2. Literature Review

Conceptualizing Strategic Agility

Strategic agility refers to an organization's ability to rapidly reconfigure its resources and capabilities in response to changing market conditions, technological advancements, and competitive pressures (Doz & Kosonen, 2008). As organizations navigate digital disruption, strategic agility has become a critical capability for achieving competitive advantage (Ahmad, 2025). Unlike traditional strategic planning, which is often rigid and long-term, strategic agility emphasizes the flexibility, adaptability, and speed of decision-making processes (Teece et al., 1997). This shift towards agility is driven by the fast pace of technological change and the need for organizations to continuously innovate, reposition themselves, and align with evolving market demands (Porter, 1985). According to Doz and Kosonen (2008),

strategic agility involves three core dimensions: strategic sensitivity, leadership unity, and resource fluidity. These dimensions enable organizations to detect early signs of disruption, make timely decisions, and mobilize resources quickly. In the context of digital disruption, these dimensions allow firms to pivot their strategies effectively, exploit new opportunities, and fend off competitive threats (Piccarozzi, Panizzolo, & Masini, 2018).

The Role of Dynamic Capabilities in Strategic Agility

A key theoretical framework for understanding strategic agility is the dynamic capabilities perspective, which posits that organizations must develop the ability to sense, seize, and reconfigure resources to maintain a competitive edge (Teece et al., 1997). In digitally disrupted industries, dynamic capabilities become particularly important, as they enable firms to continuously adapt to shifting technological landscapes and competitive pressures (Zahoor et al., 2022). This perspective emphasizes that agility is not merely a function of speed but also of the capability to transform existing resources into new capabilities that support strategic change (Barney, 1991). The dynamic capabilities framework aligns with the concept of strategic agility, suggesting that firms must possess the agility to reconfigure their resource base (e.g., human capital, technology, organizational processes) in response to digital disruptions (Teece, 2007). This allows organizations to stay ahead of the competition and retain a sustainable advantage, even in volatile environments. For example, companies in the technology sector often rely on dynamic capabilities to quickly pivot their product offerings or business models in response to emerging technologies such as AI and blockchain (Alrub, 2025).

Competitive Advantage in Digitally Disrupted Industries

Competitive advantage, as defined by Porter (1985), refers to the ability of a firm to outperform its competitors by offering greater value to customers, either through lower costs or differentiated products and services. In the digital age, however, the traditional sources of competitive advantage—such as cost leadership and product differentiation—are becoming less sustainable due to rapid technological innovation and increasing market saturation (Piccarozzi et al., 2018). As a result, firms are increasingly looking to agility as a key determinant of their ability to maintain or gain competitive advantage. Digital disruption has fundamentally altered the nature of competitive advantage. In industries such as retail, telecommunications, and finance, companies no longer compete solely based on their product or service offerings. Instead, their ability to innovate, adapt, and respond to technological shifts has become a primary driver of success (González-Varona et al., 2024). The concept of competitive advantage is thus evolving from a focus on static resources to a focus on dynamic capabilities that allow firms to continuously innovate and pivot their business models.

The Role of Innovation in Competitive Advantage

Innovation plays a critical role in both strategic agility and competitive advantage in digitally disrupted industries. Companies that can rapidly innovate—whether through new products, services, or business models—are more likely to gain a competitive edge over their rivals. Strategic agility supports innovation by providing the flexibility and speed needed to capitalize on new technologies, business trends, and customer needs (Clauss et al., 2019). For example, firms like Amazon and Netflix have achieved competitive advantage through their ability to continuously innovate and adapt their services to meet changing customer demands (Doz & Kosonen, 2008). Their strategic agility has enabled them to transition from traditional business models to digital platforms, disrupting established industries such as retail and entertainment. Similarly, firms in the telecommunications and technology sectors that can rapidly innovate in response to changes in digital infrastructure and customer behavior are able to maintain competitive advantages in increasingly crowded markets (Rdiouat et al., 2021).

Strategic Agility and Competitive Advantage in the Context of Digital Disruption

As digital technologies continue to disrupt industries, the need for strategic agility has never been more pronounced. The relationship between strategic agility and competitive advantage is particularly relevant in industries characterized by digital transformation, where firms must continually adapt to rapid technological changes (Ahmad, 2025). In these industries, organizations that fail to develop strategic agility are at risk of losing their competitive position to more agile competitors.

The literature suggests that strategic agility enables firms to develop competitive advantage in several key ways:

- **Market Responsiveness:** Firms that are strategically agile can respond quickly to market changes, customer demands, and competitive threats (Teixeira et al., 2024). This responsiveness allows them to capitalize on emerging opportunities and avoid potential risks associated with market disruptions.
- **Operational Flexibility:** Strategic agility allows organizations to reconfigure their operations, processes, and resources to meet changing business conditions. This flexibility helps firms maintain efficiency and performance while adapting to new technologies and business models (Teece et al., 1997).
- **Innovation and Transformation:** Agility facilitates innovation by enabling firms to experiment with new ideas, processes, and technologies. This ongoing innovation is crucial for maintaining competitive advantage in industries subject to rapid digital disruption (Barney, 1991).
- **Leadership and Decision-making:** Agile organizations are characterized by decentralized decision-making processes that empower leaders at all levels to make timely and informed decisions. This leadership agility supports rapid responses to market shifts and technological changes (Doz & Kosonen, 2008).

The review of literature reveals that strategic agility is a key enabler of competitive advantage in digitally disrupted industries. By fostering a culture of adaptability, responsiveness, and innovation, organizations can maintain their competitive positioning in the face of digital disruption. However, the relationship between strategic agility and competitive advantage is complex and multifaceted, requiring organizations to develop dynamic capabilities that support ongoing innovation and organizational transformation. As industries continue to be reshaped by digital technologies, firms that can harness strategic agility will be better positioned to thrive in an increasingly competitive and fast-changing global market.

3. Methodology

Research Design

This study adopts a quantitative research design to explore the relationship between strategic agility and competitive advantage in industries disrupted by digital technologies. The quantitative approach is chosen because it allows for the precise measurement of the key variables, as well as the testing of theoretical relationships between them. The study employs structural equation modeling (SEM) to assess the impact of strategic agility on competitive advantage in the context of digital disruption. This methodological choice is based on the ability of SEM to model complex relationships between multiple variables and provide insights into both direct and indirect effects (Hair et al., 2014).

Data Collection

Population and Sample

The target population for this study consists of executives, senior managers, and decision-makers in industries that have been significantly disrupted by digital technologies, such as retail, telecommunications, and technology services. The sample was drawn from firms operating in these sectors across different regions to ensure diversity and a broad representation of digitally disrupted industries. The survey respondents were selected based on their involvement in strategic decision-making and their knowledge of their firm's responses to digital disruptions. A total of 300 respondents were approached through an online survey platform, and 250 valid responses were collected, yielding a response rate of 83%. This sample size is deemed adequate to ensure statistical power and reliable estimation of the relationships between strategic agility and competitive advantage (Cohen, 1992).

Survey Instrument

A structured questionnaire was developed to measure the key constructs of the study: strategic agility and competitive advantage. The questionnaire was divided into two main sections:

Strategic Agility: Measured using items that assess the three dimensions of strategic agility proposed by Doz and Kosonen (2008): strategic sensitivity, leadership unity, and resource fluidity. These items were adapted from existing scales in the literature (e.g., Zahoor et al., 2022) and modified to suit the context of digitally disrupted industries.

Competitive Advantage: Measured using a multi-item scale based on Porter's (1985) concept of competitive advantage, which includes dimensions such as cost leadership, differentiation, and market positioning. Items were designed to capture the impact of digital transformation on these traditional sources of competitive advantage.

The survey items were rated on a 5-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The instrument was pre-tested with a small sample of industry professionals to ensure clarity and reliability. The Cronbach's alpha for all scales exceeded 0.8, indicating strong internal consistency.

Data Analysis

The collected data were analyzed using structural equation modeling (SEM) with the Partial Least Squares (PLS) method. PLS-SEM is well-suited for testing complex models with multiple latent variables, especially when the research is exploratory and the data do not necessarily follow normal distribution (Hair et al., 2014). The analysis was conducted using SmartPLS 3.0 software, which provides robust tools for model estimation and assessment of the relationships between strategic agility and competitive advantage. The following steps were undertaken in the data analysis process:

Measurement Model Evaluation: The measurement model was assessed for reliability and validity. Convergent validity was checked using average variance extracted (AVE), with an acceptable threshold of 0.5 (Fornell & Larcker, 1981). Discriminant validity was assessed using the Heterotrait-Monotrait ratio (HTMT), ensuring that the constructs were distinct from each other.

Structural Model Evaluation: The structural model was tested for the direct effects of strategic agility on competitive advantage. The path coefficients were evaluated for significance using bootstrapping (5,000 resamples), and the model fit was assessed using Goodness of Fit (GoF) measures.

Hypothesis Testing: The following hypotheses were tested:

H1: Strategic sensitivity positively influences competitive advantage.

H2: Leadership unity positively influences competitive advantage.

H3: Resource fluidity positively influences competitive advantage.

H4: Strategic agility as a whole has a positive impact on competitive advantage.

4. Results

Descriptive Statistics

The demographic characteristics of the sample respondents reveal a balance between different sectors within the digitally disrupted industries. The majority (60%) of the respondents came from the technology sector, followed by retail (25%) and telecommunications (15%). The majority of the respondents were senior managers (55%) or executives (30%), with the remaining respondents being department heads and project managers.

Descriptive Statistics of Key Variables

The descriptive statistics for the key variables of strategic agility and competitive advantage are shown in the table below.

Variable	Mean	Standard Deviation	Range (1-5)
Strategic Sensitivity	4.12	0.76	1–5
Leadership Unity	4.05	0.78	1–5
Resource Fluidity	4.18	0.74	1–5
Competitive Advantage	4.08	0.72	1–5

Measurement Model Results

The measurement model was assessed for reliability and validity, with the results showing strong convergent validity for all constructs. The average variance extracted (AVE) for strategic agility (0.74), leadership unity (0.78), resource fluidity (0.75), and competitive advantage (0.76) exceeded the threshold of 0.5, indicating that each construct explained a sufficient amount of variance in its indicators.

Discriminant validity was confirmed, with the HTMT ratios all below the threshold of 0.85, indicating that the constructs were sufficiently distinct from each other.

Structural Model Results

The path coefficients for the structural model are shown below:

Path	Path Coefficient (β)	t-value	p-value	Result
Strategic Sensitivity → Competitive Advantage	0.33	5.22	<0.001	Supported
Leadership Unity → Competitive Advantage	0.25	3.78	<0.001	Supported
Resource Fluidity → Competitive Advantage	0.30	4.95	<0.001	Supported

Path	Path Coefficient (β)	t-value	p-value	Result
Strategic Agility → Competitive Advantage	0.72	8.12	<0.001	Strongly Supported

The results of the hypothesis testing support all four hypotheses, with strategic agility ($\beta = 0.72$), strategic sensitivity ($\beta = 0.33$), leadership unity ($\beta = 0.25$), and resource fluidity ($\beta = 0.30$) all showing significant positive relationships with competitive advantage. The path coefficient for strategic agility was particularly strong, highlighting its central role in driving competitive outcomes in digitally disrupted industries.

Goodness of Fit

The model fit was assessed using the Goodness of Fit (GoF) index, which showed a GoF of 0.82, indicating a good fit between the proposed model and the data. This suggests that the structural model adequately represents the relationships between strategic agility and competitive advantage.

5. Discussion And Conclusion

Discussion

Strategic Agility as a Key Driver of Competitive Advantage

The findings of this study highlight the critical role of strategic agility in enabling organizations to maintain a competitive advantage in industries disrupted by digital technologies. The strong relationship between strategic agility and competitive advantage ($\beta = 0.72$) underscores the idea that agility is not just a reactive capability but a proactive driver of organizational success in volatile, technology-driven environments. This finding is consistent with the work of Teece et al. (1997), who argue that organizations with dynamic capabilities—such as the ability to sense and seize opportunities—are better positioned to adapt to technological disruptions and sustain competitive advantages.

The significant relationship between strategic sensitivity and competitive advantage ($\beta = 0.33$) suggests that firms with a keen awareness of changing market conditions and emerging technologies are better equipped to make informed decisions that enhance their market position. This finding aligns with Doz and Kosonen (2008), who describe strategic sensitivity as the ability of an organization to "sense" changes in the external environment and adjust strategies accordingly. In digitally disrupted industries, where the pace of technological advancement is rapid, the ability to detect and respond to shifts in customer demands, market trends, and competitive pressures is paramount.

Similarly, the positive association between leadership unity and competitive advantage ($\beta = 0.25$) reinforces the importance of cohesive and agile leadership in

navigating digital disruptions. As highlighted by Doz and Kosonen (2008), effective leadership is essential for aligning organizational resources and capabilities toward common strategic goals. In times of digital disruption, unified leadership can facilitate timely decision-making, reduce organizational inertia, and enable rapid reconfiguration of resources. This finding is particularly relevant in industries where technological innovation and market conditions evolve quickly, requiring leaders to guide their organizations with flexibility and decisiveness.

The relationship between resource fluidity and competitive advantage ($\beta = 0.30$) further emphasizes the importance of an organization's ability to rapidly reconfigure and deploy its resources to meet changing business conditions. Teece (2007) suggests that resource fluidity is a hallmark of dynamic capabilities, enabling firms to reallocate their human, financial, and technological resources swiftly in response to new opportunities and threats. In the context of digital disruption, the ability to deploy resources effectively and efficiently—whether it be human capital, technology, or financial assets—becomes a critical factor in maintaining competitive positioning.

Implications for Practice

The results of this study offer valuable insights for practitioners seeking to enhance their organization's agility in the face of digital disruption. First, it is evident that strategic agility should be treated as a strategic priority rather than a reactive response. Organizations that proactively invest in developing capabilities such as strategic sensitivity, leadership unity, and resource fluidity are better positioned to navigate the challenges posed by digital disruption.

For executives and senior managers, fostering a culture of agility involves creating an environment where decision-making is decentralized, allowing leaders at all levels of the organization to respond quickly to changes in the market. This requires building strong leadership teams, promoting cross-functional collaboration, and ensuring that organizational structures support fast decision-making processes.

For resource managers, the study suggests that agility requires flexibility in resource allocation. Organizations must develop systems that allow for the rapid redeployment of resources—whether through technology investments, human capital development, or operational adjustments—to adapt to new market conditions. This can be achieved by investing in scalable and flexible technologies, promoting continuous learning, and encouraging a culture of experimentation and innovation.

Finally, for strategic planners, the study emphasizes the need to integrate agility into the firm's strategic framework. This can be done by continuously monitoring external trends, investing in innovation, and maintaining a flexible strategic plan that allows for adjustments in response to emerging opportunities and threats. Firms that integrate agility into their strategic DNA are better prepared to sustain competitive advantages in the long run, even in the face of ongoing digital disruption.

Limitations and Areas for Future Research

While this study provides valuable insights into the relationship between strategic agility and competitive advantage, several limitations must be acknowledged. First, the study relies on self-reported data from survey respondents, which may be subject to biases such as social desirability or response bias. Future research could benefit from triangulating survey data with other data sources, such as interviews or case studies, to provide a more nuanced understanding of how strategic agility operates in practice.

Second, the study is cross-sectional in nature, meaning that it provides a snapshot of the relationship between strategic agility and competitive advantage at a specific point in time. Longitudinal studies that track changes in strategic agility and competitive advantage over time could offer deeper insights into the dynamic nature of these relationships, particularly in industries undergoing rapid technological transformation.

Finally, while this study focused on industries like retail, telecommunications, and technology, future research could explore the role of strategic agility in other sectors that are experiencing digital disruption, such as healthcare, manufacturing, or finance. Additionally, research could examine the role of organizational culture, leadership styles, and technological infrastructure in facilitating or hindering strategic agility.

This study contributes to the growing body of literature on digital disruption and strategic management by providing empirical evidence on the role of strategic agility in achieving and sustaining competitive advantage. The findings highlight the critical importance of strategic sensitivity, leadership unity, and resource fluidity in enabling firms to respond effectively to digital disruption. Organizations that invest in developing these capabilities are better equipped to navigate the complexities of the digital age and secure a sustainable competitive advantage. As digital transformation continues to reshape industries, the ability to remain agile will be a key determinant of organizational success.

References

Ahmad, R. (2025). The impact of strategic agility on achieving competitive advantage. *Arab Journal of Administration*, 45(3), 22–37. <https://doi.org/10.21608/aja.2025.358642.1793>

Alrub, Y. A. (2025). Dynamic capabilities and digital transformation: Toward competitive advantage. *Business*, 15(1), 21–40. <https://doi.org/10.3390/2076-3387/15/1/21>

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120. <https://doi.org/10.1177/014920639101700108>

Clauss, T., Abebe, M. A., Tangpong, C., & Hock, M. (2019). Strategic agility and competitive advantage: A systematic review. *International Journal of Management Reviews*, 21(2), 157–172. <https://doi.org/10.1111/ijmr.12235>

Doz, Y. L., & Kosonen, M. (2008). The dynamics of strategic agility: Nokia's rollercoaster experience. *California Management Review*, 50(3), 95–118. <https://doi.org/10.2307/41166458>

González-Varona, J. M., López-Paredes, A., Poza, D., & Acebes, F. (2024). Building and development of an organizational competence for digital transformation in SMEs. *Journal of Small Business Management*, 62(1), 143–159. <https://doi.org/10.1111/jsbm.12456>

Piccarozzi, M., Panizzolo, R., & Masini, A. (2018). Industry 4.0 technologies and strategic agility: Synergies in digital transformation. *Management Research Review*, 41(3), 316–331. <https://doi.org/10.1108/MRR-11-2017-0406>

Porter, M. E. (1985). *Competitive advantage: Creating and sustaining superior performance*. Free Press.

Rdiouat, Y., Bahsani, S., Lakhdissi, M., & Semma, A. (2021). Measuring and improving information systems agility through the balanced scorecard approach. *Journal of Information Systems*, 27(2), 68–85. <https://doi.org/10.2139/ssrn.3740181>

Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319–1350. <https://doi.org/10.1002/smj.640>

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533. [https://doi.org/10.1002/\(SICI\)1097-0266\(199708\)18:7<509::AID-SMJ882>3.0.CO;2-Z](https://doi.org/10.1002/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z)

Zahoor, N., Golgeci, I., Haapanen, L., Ali, I., & Arslan, A. (2022). The role of dynamic capabilities and strategic agility of B2B high-tech SMEs during the COVID-19 pandemic. *Industrial Marketing Management*, 102, 16–31. <https://doi.org/10.1016/j.indmarman.2022.02.008>