

THE ROLE OF WORKFORCE AGILITY IN ORGANISATIONAL INNOVATION

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Abstract

Innovation driven growth is a vital aspect that fuels the success of modern organisations. This concept revolves around leveraging creativity and new ideas to improve processes, products and services ultimately aiming at increased revenue and market share. In today's fast paced business environment organisations that embrace innovation can respond more effectively to the market changes and technological advancements. Companies that encourage the culture of agility and adaptability can maintain a competitive edge in rapidly evolving business environment. Innovation driven growth is important for any organisation willing to thrive in the competitive market which is possible by fostering culture of creative learning and continuous learning and not just by thinking of big ideas but by creating an environment where every employee feels empowered for contribution. This paper explores the dimension of an innovation driven workforce with a focus on workforce agility, various strategies to adapt agility and the challenges faced by the organisations.

Keywords: *innovation, workforce agility, technology, business environment, employee performance*

Introduction

The rapid changes in technology, market fluctuations and business competition at both national and global level is driving the organisations to continuously innovate and improve the employee performance leading to organisational effectiveness. In the modern business world management strategies are increasingly recognized as key drivers of firm innovation. The culture of workforce innovation strengthens, sustains and enhances employee innovativeness. The set of shared, taken-for-granted implicit assumptions that a group holds and that determines how it perceives, thinks about and reacts to its various environments. This makes the management to nurture culture at the workplace with appropriate actions that could develop self-directed and motivated employees for developing innovative ideas constantly (Jiang et al., 2012). There has been much research evidence to elaborate on why some organizations are more innovative than other organizations (Hamel, 2006; Anderson et al., 2014). Workplace innovation can be described as “an established and implemented practice or combination of practices that structurally (division of labour) and/or culturally empower and allow employees to engage in organizational change and renewal in order to improve the quality of their working lives and organizational efficiency” (Oeij et al., 2012). The aim of the innovation is not just to develop the new product, service and the business model but must also focus on renewal and improvement of “soft” and “intangible” challenges. Therefore, the present study has focused on the innovation including the strategies for fostering workforce agility, use of technology for a better working environment.

Innovation and technology enable the organisation to adapt to new circumstances by making better use of human talents and capabilities.

For organisational sustainable competitive advantage companies look to adapt to a changing global market environment featured by market fluctuations, technological advancements and economic changes. Therefore more attention is driven towards human intellectual capital than structural capital. The employees of today are very confident, competitive and competent with all the necessary skills, abilities and knowledge (Borowiecki et al., 2019). Workforce agility has recently emerged as one of the key organizational paradigms that managers should follow to build sustained competitive advantages and as a key critical business success factor (Doz et al., 2008; Cegarra-Navarro et al., 2016; Teece et al., 2016). It generally refers to the firm's ability to continuously adjust and adapt strategic direction in a core business (Holbeche, 2018) and has been developed along several dimensions, including strategic agility (Kosonen and Doz, 2010; Doz, 2020), organizational agility (Teece et al., 2016) and business agility (Lars and Pries-Heje, 2006). Organisational culture sets the norms within the work environment, and which is applied by the employees that stimulates innovative ideas among them. This paper aims to analyse the important components of the workforce and examine the strategies that can be implemented by the organisations to nurture the culture of agility and innovation.

Literature review

The workforce agility allows the organisation to achieve their goals through innovation, enhances strategic capabilities. There are few systematic studies on the concept of workforce agility. Research on agility has predominantly examined its operational aspects, focusing on speed and flexibility (Muduli, 2013). However, limited attention has been given to identifying organizational factors that support agile employee performance (Sherehiy & Karwowski, 2014). When exploring workplace practices that foster workforce agility, much of the existing literature is based on theoretical recommendations rather than empirical validation (Alavi et al., 2014; Muduli, 2013; Sumukadas & Sawhney, 2004).

Employee cognition plays a crucial role in either reinforcing or hindering agile behavior and attitudes. Psychological empowerment—encompassing intrinsic motivation and self-efficacy—encourages proactive, adaptable, and resilient behaviors among employees, thereby enhancing workforce agility. When individuals experience a sense of empowerment, they are more likely to demonstrate agility-related behaviors, such as flexibility, perseverance, and resilience (Thomas & Velthouse, 1990). Studies suggest that individuals with intrinsic motivation are more receptive to setbacks, viewing them as integral steps toward innovative solutions. Beyond empowerment, autonomy in decision-making is another essential factor in fostering workforce agility (Kidd, 1994; Van Oyen et al., 2001). Decentralized decision-making among employees enhances coordination and responsiveness, which are critical for maintaining agility in dynamic work environments (Gunasekaran, 1998).

Methodology:

Organisational innovation driving workforce agility is a evolving concept the study is done with the limited papers, articles and information available. The current study is conducted through desk research method and descriptive in nature. The research methodology used in the present study is a review- based paper analysis that were found in several significant databases like Google Scholar, Springer, Science Direct, etc. Some information is also retrieved from the relevant articles on internet.

Objectives of the study:

1. To understand workforce agility and its key characteristics necessary for fostering innovation.
2. To study the challenges faced by the organization while cultivating workforce agility.

3. To understand the effect of workforce agility on organisational innovation.

Innovation and workforce agility:

The definition of the workforce agility differs as some of the researchers define it from the perspective of ability and others from the attitudes and behaviour of the workers in a volatile global business environment. From an ability perspective workforce agility refers to the capacity to swiftly and effectively respond to change while leveraging its advantages. Similarly, agile employees are described as individuals with a broad perspective who can capitalize on dynamic market conditions, such as evolving customer preferences. Regarding attitude, Plonka (1997) noted that agile workers are continuous learners, proactive in self-development, skilled problem-solvers, open to change and emerging technologies, capable of generating innovative ideas, and willing to take on new responsibilities. From a behavioural perspective, Dyer and Shafer (2003) characterized workforce agility as the ability to be proactive, adaptable, and innovative in response to changing environments.

The following are the important characteristics of the agile workforce derived from the review of literature:

- **Flexibility-** Workforce agility is deeply rooted in flexibility which allows employees to shift roles, responsibilities and workflows as needed. An agile workforce can seamlessly transition between tasks, take on new challenges, and efficiently redistribute workloads in response to market changes or operational demands. This adaptability minimizes disruptions and enhances overall productivity. Organizations that emphasize flexible work arrangements, such as cross-functional teams or job rotation, enable employees to develop versatile skill sets, fostering an environment conducive to innovation.
- **Continues learning-** Employees who actively seek knowledge, embrace upskilling, and engage in lifelong learning are more equipped to handle emerging industry trends and technological advancements. Organizations that support a learning culture through training programs, mentorship, and access to learning platforms create an environment where employees can acquire new competencies and remain competitive. Firms that want to become agile should also train workers in the use of technology (Gunasekaran, 1999). This ability to quickly assimilate new information and skills plays a crucial role in fostering innovation.
- **Collaboration-** workforce agility is a collective initiative and teams that exhibit high levels of collaboration and cross-functionality can

quickly adapt to new work structures and respond effectively to dynamic challenges. An organizational focus on teamwork entails attention to the internal, external, intra-group, and cross-functional team working environments (Breu et al., 2002). Agile organizations encourage open communication, teamwork across departments, and knowledge-sharing initiatives. By breaking down silos and promoting an interdisciplinary approach to problem-solving, employees can combine their expertise to develop creative solutions and drive innovation.

- **Resilience-** The ability to face the challenges and uncertainties is related to workforce agility. Resilient employees view challenges as opportunities for growth, demonstrate perseverance, and proactively adjust to shifting priorities. Companies that foster a supportive work environment, offer psychological safety, and encourage a growth mindset help build a workforce that is capable of enduring and thriving through change.

Challenges in cultivating workforce agility

- **Resistance to change-** one of the biggest challenges to encourage an agile and innovation-driven workforce is resistance to change. Employees and management alike may struggle with shifting mindsets, new work structures, and evolving job roles. Traditional workplace cultures often emphasize stability, hierarchy, and standardized processes, which can conflict with the fluid, dynamic nature of an agile environment. Employees may fear job insecurity, increased workloads, or an unfamiliar work style that demands continuous adaptation.
- **Limited resources-** Reinforcing workforce agility requires investments in technology, training, and process redesign, which may pose financial and logistical challenges. Many organizations, particularly small and medium-sized enterprises (SMEs), struggle with budgetary constraints that limit their ability to adopt agile strategies. Additionally, companies may lack the necessary technological infrastructure, such as cloud-based collaboration tools, AI-driven decision-making systems, or digital training platforms, which are critical for enabling workforce agility.
- **Skilled workforce acquisition and retention-** Finding and retaining adaptable, creative and proactive employees can be a challenge, as competition for skilled professionals is intense. Moreover, organizations may struggle to identify candidates with both technical

expertise and the soft skills required for agility, such as problem-solving, collaboration, and resilience. Additionally, employees who thrive in agile environments often seek dynamic and fulfilling work experiences, meaning organizations must continuously engage and motivate them to prevent high turnover rates.

Effect of workforce agility on organisational innovation

The workforce agility plays important role in innovation and adopting new technologies within the organisation. An agile workforce ensures that employees can adapt, innovate, and leverage technology effectively to maintain competitive advantage. Below are the key effects of workforce agility on innovation and technology:

- **Accelerate innovation cycles-** Agile workforce facilitates faster implementation of new ideas, solutions that embrace creative problem-solving approaches and push for continuous improvement. This reduces the time it takes to move from concept to execution, allowing companies to stay ahead of competitors.
- **Enhanced adoption of technologies-** Workers involved in jobs of broader scope and higher task variety exhibit stronger commitment and intrinsic motivation for their work (Joo and Lim, 2009). Employees with task agility can quickly learn and integrate new digital tools into their workflow, making the transition to technology-driven processes smoother.
- **Improved problem solving-** Workforce agility encourages employees to approach challenges with a growth mindset, fostering a culture of experimentation, collaboration, and knowledge-sharing. Instead of resisting change, agile employees view disruptions as opportunities for innovation.

Findings and conclusions

The study states that workforce agility depends on the organizational practices, such as learning and training, compensation, involvement, teamwork, and information systems. An innovation-driven workforce, empowered by agility, is essential for organizations seeking long-term success in an evolving marketplace. By fostering a culture of adaptability, investing in employee development, and leveraging technology, companies can overcome challenges and remain competitive. Future trends indicate a shift towards AI-driven agility, diverse and inclusive teams, and sustainability-focused strategies, highlighting the need for continuous adaptation and forward-thinking leadership. Thus higher workforce agility exhibits higher probabilities introducing innovation processes.

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