

Strategic Agility and Organizational Performance: A Comparative Study of Toyota and Ford Motors

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Abstract: *The global automobile industry is rapidly evolving with the power of electrification, internet disruption, and changing competitive forces. This is making strategic agility an important element in the effectiveness of an organization. Strategic agility helps businesses to feel the market changes, be quick to respond and resourceful to keep pace with the shifting marketplaces. This paper uses the Toyota Motor Corporation with the Ford Motor Company to establish the correlation between organizational success and strategic agility. The research design used in the study is quantitative research design and is supported by longitudinal and comparative studies which were conducted between the year 2015 and 2024. The data was collected using secondary sources such as industry databases, sustainability proclaims, and annual reports. Three variables were used to operate strategic agility: resource fluidity, leadership unity, and strategic sensitivity. The measures of organizational performance included revenue growth, return on assets, and innovation output. Descriptive and comparative techniques, together with panel regression analysis, were used to analyze the data. The study's findings show that an organization's performance is favorably and significantly correlated with the three aspects of strategic agility. Strategic sensitivity was the strongest predictor, then resource flexibility and leadership cohesion. Also, the comparison study reveals that Toyota has been better than Ford in terms of organizational performance as it is more strategic in all aspects. The findings indicate that companies that sense better, allocate resources in a more flexible way, and have cohesive leadership frameworks can be in a better position to attain sustainable competitive advantage in turbulent environments. The paper concludes that strategic agility is a multidimensional capability that greatly improves the performance of organizations in the automotive sector. It advises automotive companies to enhance environmental scanning frameworks, increase their resource reconfiguration potential, and promote leadership consistency to be more responsive and competitive in the swiftly developing markets.*

Keywords: Strategic agility, organizational performance, automotive industry, resource fluidity, leadership unity.

INTRODUCTION

Over the last ten years, the world automotive market has been shaken to its core by technological disruption and electrification, a shift in consumer tastes and preferences, and geopolitical uncertainties.

These changes have aggravated the competitive pressure and increased the strategic relevance of organizational flexibility and responsiveness, often thought of as strategic agility. Strategic agility has become a key competency that allows companies to feel the environmental change, reorganize, and react rapidly to market changes, sustaining organizational performance in the turbulent environment (Clauss et al., 2021; Walter, 2024; Rigby et al., 2022).

In this context, major car manufacturers like Toyota Motor Corporation and Ford Motor Company have implemented different strategies to overcome the disruption in the industry, such as the shift to electric vehicles, digitalization, and uncertainty in the global supply chain. The financial results, innovation potential, business efficiency, and competitiveness of the market have become more dependent on the capability of companies to implement agile approaches to these changing challenges (Alokshe et al., 2025; Lavdari and Lavdari, 2024). Although the role of strategic agility is increasingly appreciated, there is evidence that companies vary greatly in how they can successfully operationalize agility. The empirical evidence shows that more agile organizations are more resilient and perform better in times of disruption, whereas less agile organizations have limited ability to adapt and take more time to recover (Lavdari and Lavdari, 2024).

Even though the available literature confirms the existence of a positive correlation between strategic agility and organizational performance, much of the studies have been generalized with little focus on industry specific comparative studies, especially in the automotive industry (Kiilu, Machuki, and Aosa, 2023). Moreover, available literature explores agility as a stand-alone concept without adequate discussion of the effect of organizational structure, leadership orientation, and innovation strategy differences on the performance outcomes on the firm level.

This weakness is especially pronounced in comparison with traditional automotive companies like Toyota and Ford, which have different strategic orientations. Traditionally, Toyota has focused on lean manufacturing, continuous improvement, and long-term alignment of the strategic direction, when Ford experienced several strategic restructurings due to the volatile situation on the market and changes in technologies. These variations pose crucial questions on how far strategic agility is relevant to long-term competitive performance among companies that have dissimilar organizational patterns. As the global automotive environment becomes more complex and agility is becoming a vital component of determining firm competitiveness, a compelling need to conduct comparative and evidence-based research to investigate the impact of strategic agility on organizational performance among leading industry participants exists.

This paper thus explores the correlation between strategic agility and the performance of an organization by making a comparative study of Toyota and Ford. In particular, the research focuses on major aspects of strategic agility such as strategic sensitivity, fluidity of resources, and unity of leadership and analyzes its effect on performance outcomes. The results are beneficial to managers, policymakers, and academics who want to learn how agile capabilities can be exploited to gain a sustainable competitive advantage in dynamic industries. The rest of the sections include the literature review, theoretical framework, methodology, findings, and conclusions.

LITERATURE REVIEW

The new concept of strategic management is strategic agility, which is the capacity of the organization to anticipate changes in the environment, respond quickly to new opportunities and reorganize resources to stay competitive. It is also increasingly viewed as being a higher order skill that can enable firms to be capable of negotiating uncertainty and be able to continue operating in volatile environments. Modern research highlights that strategic agility goes beyond operational flexibility and includes a strategic orientation that combines sensing abilities, decision making speed, and adaptive execution as a way of ensuring the success of the long term (Clauss et al., 2021; Walter, 2024; Ciampi et al., 2021). Organizational performance is a parameter that is used to determine the capability of a firm to achieve its strategic and operational objectives like financial development, market share, production of innovation and operational efficiency. Most research studies conducted in the recent past demonstrate that strategic agility is a major contributing factor in enhancing the performance of organizations since they assist firms in orientating their strategies towards dynamic market conditions. Agile organizations can more easily identify new trends, respond to competition, and achieve high-quality performance outcomes than less adaptive organizations (Alokshe et al., 2025; Ngila and Mutua, 2023).

The correlation between strategic agility and performance is also described in terms of how the firm has incorporated the important dimensions of agility in its strategic processes. One of the essential dimensions that demonstrate how organizations can continuously scan the external environment to read the market signals and make forecasts before they fully materialize is the strategic sensitivity. The action taken by a firm will be proactive and not reactive the more strategically sensitive it is and therefore the firm will have competitive advantage in dynamic industries. This skill enhances the quality of decision-making and enables us to conduct strategic interventions in a timely way that can influence the performance results positively (Walter, 2024). Another important dimension which can be described as resource fluidity is the ability of the organization to relocate its resources, rearrange its activities and redeploy capabilities due to shifting strategic priorities. Resource fluidity will enable the company to reorganize its internal environments to respond to external demands and be far more efficient and responsive. The ability of organizations to manage fluidity of resources assists organizations to make strategic changes, utilize resources optimally and stay competitive in unpredictable environments (Alokshe et al., 2025).

Once again, leadership cohesion also plays a noteworthy role in establishing strategic agility and performance. It shows the extent of congruency and cohesion between top management teams in decision making and implementation of strategy. Cohesive leadership results in faster and more coordinated decision-making processes that will reduce stagnation within the organization and make it possible to successfully implement strategic initiatives. Empirical studies indicate that organizations that have high leadership alignment are more agile and achieve better performance results, especially in dynamic and complex environments (Kiilu et al., 2023). Technological disruption, regulatory forces, and changing consumer preferences have made the strategic agility in the automotive industry more pronounced. Flexible and ever creative companies must maintain their positions in competitions. There is comparative evidence that the agility capabilities of organizations differ with respect to their strategic orientation,

organizational structure and history of their development. A case in point of a business that has remained highly agile throughout the years is Toyota and its emphasis on continuous improvement, operational efficiency and long-term strategic planning, with Ford varying in its levels of agility based on the structural constraints and the frequency of strategic alteration (Lavdari and Lavdari, 2024).

The differences highlight the necessity to examine the concept of strategic agility within specific organizational contexts to enable the transfer of this concept to performance outcomes. Although empirical evidence in the agility performance relationship is on the rise, additional comparative research that would investigate how various companies implement agility and the impact of the variations on the success of companies in the same industry is still necessary.

Theoretical Review

This research is grounded on the Dynamic Capabilities Framework, which offers a strong prism through which the attainment and maintenance of competitive advantage by firms in turbulent settings can be comprehended. The framework, which has been widely developed in modern literature, assumes that on top of having valuable resources, companies need to form higher order capabilities that will allow them to detect changes in the environment, capture emerging opportunities, and reorganize internal competencies to do so (Teece, 2021).

The view is especially pertinent to industry with technological turmoil and market instability, like the international car industry. Strategic agility, in this sense, is theorized as an operational realization of dynamic capabilities, the ability of the firm to react quickly and efficiently to external pressures whilst remaining strategically coherent. The recent research highlights that highly dynamic organizations are better prepared to be more adaptable, innovative, and resilient during uncertain times because they can keep aligning their resource base to the changing demands of the environment (Ciampi et al., 2021; Walter, 2024). This practically means combining processes in real time market sensing, quick decision taking, and the deployment of resources in a flexible manner. In the case of companies such as Toyota Motor Corporation and Ford Motor Company, how deeply ingrained these capabilities are in the organization routines and leadership systems has a huge influence in their capacity to adjust to industry changes like electrification, digital transformation, and global supply chain disruptions. Whereas the long-standing focus of Toyota on continuous improvement and systemic learning is a symptom of a highly entrenched dynamic capability system, the strategic transformation of Ford provides evidence of the difficulty of reorganizing the old systems to gain the same degree of agility. The Dynamic Capabilities Framework, therefore, offers a critical base upon which the variation in strategic agility as a factor that leads to variation in organizational performance among firms can be studied.

To counter this point of view, the Resource-Based View focuses on the importance of firm specific resources and capabilities as the key factors of the sustained competitive advantage. According to the theory, organizations perform better when they are endowed with valuable, rare, inimitable, and non-substitutable resources and when the resources are well implemented as a part of the strategic processes in firms (Barney, 2021). Although the Resource Based View conventionally lays emphasis on the fixed nature of resources, modern research emphasizes the significance of combining resource ownership with

the dynamism to re-use such resources in changing contexts (Ferraris et al., 2022). This extension applies especially to the notion of strategic agility, in that it indicates that having strategic assets is not enough without the organizational capability to apply them dynamically to adapt to new circumstances. Applying to the automotive industry, companies like Toyota and Ford have huge material and immaterial resources, which include technological know-how, manufacturing facilities, brand loyalty, and human capital. Nevertheless, organizational performance differences may be ascribed to both the presence and the accessibility of these resources as well as the efficacy with which they are coordinated and reorganized to meet strategic goals. Empirical data indicate that companies that match their resource base with nimble strategic activities are in a better position to innovate, react to market shocks, and remain competitive in the long term (Clauss et al., 2021). This underscores the need to study the nature of interaction between resource endowments and strategic agility in the determination of performance outcomes. In the present work, the Resource Based View is a complementary perspective through which the performance of Toyota and Ford can be understood as the joint action of internal capabilities and strategic agility in a world characterized by a high rate of technological development and the heightened competition on the global level.

Empirical Review

Clauss, Abebe and Tangpong (2022) examined the connection between strategic agility and firm performance of manufacturing companies in Europe with an emphasis on innovation ability as a mediator. The research design was quantitative, and survey data was used to gather information on 287 senior managers. Structural equation modelling was employed to analyze the data. The results indicated that strategic agility can greatly improve the performance of firms either directly or indirectly through the power of innovation. The research also determined that companies that have a greater degree of strategic responsiveness and adaptability are in a better position to generate a competitive edge in dynamic business environments. Nevertheless, the research was only focused on European manufacturing companies, thus constraining the generalizability of the results to other industries and regions. In addition, the study did not provide a comparative firm level analysis. This paper fills these gaps by performing a comparative study of the key automotive companies and analyzing the role of strategic agility in organizational performance.

Walter (2023) investigated the impact of strategic agility on the performance of German industrial firms, especially environmental dynamism as a moderating factor. The research was a cross-sectional survey study and involved 312 companies through questionnaires. Regression analysis was used to test the hypotheses. The findings revealed that strategic agility positively influences organizational performance, especially when the environment is very dynamic. The researchers also discovered that agile capabilities are more beneficial to firms in volatile markets compared to those in stable markets. The research was, however, restricted by the fact that it was cross-sectional leading to limited causal inference. Moreover, this study did not examine variations within firms in one industry. This paper addresses this gap by taking a comparative firm level approach in the car industry.

Alokshe, Alshurideh and Al Kurdi (2025) investigated how strategic agility affects business performance of technology driven organisations in the Middle East. The research method employed a quantitative

research design whereby a sample of 350 respondents was used, which was selected using stratified sampling. Structural equation modelling was used to analyse the data. The results revealed that strategic agility is a major contributor to the performance of an organization in terms of innovation and operational flexibility. Nevertheless, the research was limited to technology companies and did not include the classic manufacturing companies like automotive. Also, the research did not investigate the particular aspects of strategic agility in detail. This research attempts to overcome these limitations by targeting the automotive industry and evaluating the dimensions that are important including strategic sensitivity, resource fluidity and unity of leadership.

Kiilu, Machuki and Aosa (2023) examined the association between strategic agility and firm performance between listed companies in Kenya. The research design used was descriptive with secondary data of 48 firms in a period of five years. Panel regression analysis was used to test the relationship. The results showed that there was a strong positive correlation between strategic agility and firm performance, especially in those firms that had large scale reconfigurations of resources. Nevertheless, the research was based only on secondary data, which did not allow the reflection of internal strategic processes. Moreover, the research failed to give a comparative study of companies in the same sector. This research fills these gaps with an analysis of firms and comparative analysis.

Ngila and Mutua (2023) investigated the role of strategic agility on the performance of bank organizations in Kenya. The researcher used a descriptive survey design and gathered primary data by using structured questionnaires on 210 respondents. The results found out that strategic agility contributes significantly to performance in terms of responsiveness and customer orientation. Nevertheless, the research targeted a single industry and failed to consider industry specific forces like those found in the automotive industry. Additionally, the study did not examine firm level differences in agility. This research works bridges these gaps by concentrating on the automotive industry and making comparisons of top companies.

Lavdari and Lavdari (2024) used time series analysis of organizational agility and performance in times of economic crisis. The research employed the use of longitudinal data of several companies that operated in various industries. The results showed that companies that were more agile were more resilient and quicker to recover in an economic recession. Nevertheless, the research was not industry specific and failed to offer insights as to the operation of agility in the automotive industry. This paper does not overcome this shortcoming as it only takes a specific case of automotive companies and offers the comparative view.

Ciampi, Demi and Rialti (2022) investigated the relationship between digital transformation, strategic agility and firm performance in European SMEs. The research was quantitative in nature, and the sample size was 268 firms. Analysis was done using structural equation modelling. The results showed that strategic agility is positively correlated with digital transformation, and the latter correlates with better performance of firms. Nevertheless, the research concentrated on small and medium-sized enterprises and did not emphasize on large multinational companies. In this study, the gap is addressed by looking at large automotive companies and their abilities in strategic agility.

Teece (2022) studied how dynamic capabilities can improve organizational agility and performance of global companies. The paper took a conceptual and empirical mixed method and the research was based on the case evidence in several industries. The results showed that companies that have good dynamic capabilities exhibit greater agility and better performance results. But the research did not give any empirical comparison of particular firms in the same industry. This paper fills this gap by undertaking a comparative analysis of two large automotive companies.

Rigby, Elk and Berez (2022) investigated the concept of agile management and its use in different industries in their investigation of its effect on the performance of firms. The research made use of surveyed information of more than 500 organizations worldwide. The results showed that the performance and speed of innovation cycles were reported to be higher in firms that implemented the practices of agility. Nonetheless, the research failed to be strategic agility as a construct and industry specific. This paper seals this gap by explicitly addressing the issue of strategic agility in the automotive industry.

Doz and Kosonen (2023) explored the concept of strategic agility at the level of large multinational companies, emphasizing leadership fit and resource distribution. A qualitative case study design incorporating multiple firms was used in the study. The results revealed the significance of leadership cohesion in attaining agility and enhancing performance outcomes. Nevertheless, the research was more of a conceptual one and not quantitatively validated. This research paper attempts to overcome this shortcoming by including empirical research and comparative analysis.

Ferraris, Santoro and Bresciani (2022) analysed the connection between knowledge management and strategic agility and firm performance of international firms. The research employed survey data on 240 companies and employed regression analysis. The results showed that knowledge integration boosts agility and then performance. The paper however did not delve into industry-specific or firm specific differences. This paper bridges this gap as it focuses on the automotive industry and compares companies.

Clauss, Kraus and Kallmuenzer (2023) investigated the role of business model innovation in enhancing strategic agility and firm performance. This research was quantitative, using a sample of 300 companies. The findings indicated that the companies having innovative business models are more agile and perform better. The study, however, failed to look at the traditional manufacturing companies like automotive companies. This paper will fill this gap using automotive companies. In their research, Walter and Bach (2022) examined how environmental uncertainty affected the strategic agility and performance of organizations. The research used survey data of 275 companies and used structural equation modelling. The results indicated that environmental uncertainty enhances agility-performance association. Yet, the research was lacking in a comparative firm level analysis. This study fills this gap by comparing two major firms within the same industry.

Shams, Vrontis and Belyaeva (2022) studied the concept of strategic agility and international performance in multinational companies. A mixed method approach was adopted, involving survey and interview data in the study. The results showed that strategic agility improves performance in the international markets.

Nevertheless, the research did not target particular industries like the automotive industry. This research paper tries to overcome this shortcoming with an emphasis on the automotive industry.

Singh and Sharma (2023) examined the correlation between organizational agility and the performance of Indian manufacturing companies. A quantitative study design was used, and the sample consisted of 260 respondents. The results showed that there was a positive relationship with significance between agility and performance. Nevertheless, the research failed to differentiate various aspects of agility. This paper addresses this gap by looking at certain aspects of strategic agility.

Kumar and Ranjan (2024) tested the effect of strategic flexibility and agility on organizational performance in emerging markets. The authors used a survey of 320 companies. The results showed that agility has a great effect in improving performance. The research however did not focus on comparative analysis of companies in the same industry. This paper fills this gap by means of comparison. Ahmed, Mahmood and Abdullah (2022) examined the effects of leadership and strategic agility on the performance of service firms. The research was a quantitative study with a sample of 280 respondents. It was found that leadership is an important factor when it comes to improving agility and performance. Nevertheless, manufacturing industries were not taken into consideration by the study. This gap is addressed in this study by concentrating on automotive companies.

Yahya, Tan and Tay (2022) studied the impact of organizational capabilities as the driver of agility and performance in Asian companies. This analysis involved survey data of 310 companies. The results showed that the organizational capabilities can improve agility and performance greatly. Nevertheless, the research did not have definite specific comparative analysis. This research paper deals with this shortcoming. Bos Nehles, Riemsdijk and Looise (2023) investigated the connection between HR practices, agility and performance of European companies. It employed a quantitative research method and the sample of 290 firms. The results revealed that HR practices increase agility and performance. Nevertheless, strategic agility was not a central construct in the study. This study fills this gap.

Lavelle, McMahan and Harris (2024) investigated the connection between organizational support, agility and performance of multinational firms. The research used survey data of 270 companies. The results showed that organizational support is a factor that boosts agility and performance. However, the study did not provide industry specific insights. This research paper fills this gap in that it pays attention to the automotive industry.

Literature Gaps

Although numerous studies have been conducted regarding strategic agility and organizational performance in different industries, there are still numerous important gaps. Other researchers, like Clauss, Abebe and Tangpong (2022) and Walter (2023) specifically target a regional or industrial setting, like European manufacturing and German industry corporations, which restricts the applicability of their results to other industries including the world automotive industry. Equally, the works by Ngila and Mutua (2023) and Aloksh, Alshurideh and Al Kurdi (2025) are mostly limited to banking and technology driven companies, which do not mirror the structural and operational dynamics of large-scale automotive

companies. These contextual constraints would limit a holistic comprehension of the effect of strategic agility on performance in complicated, capital-intensive markets.

Moreover, several empirical studies, such as Kiilu, Machuki and Aosa (2023) and Lavdari and Lavdari (2024) are based on secondary or longitudinal information and do not appropriately capture the internal strategic processes and firm level dynamics influencing agility outcomes. Moreover, most studies fail to adequately investigate the multidimensionality of strategic agility and treat it as a unidimensional construct without delving into important elements of strategic sensitivity, resource fluidity, and leadership unity. This restricts the level of understanding of how particular aspects of agility can result in organizational performance. In addition, the study by Singh and Sharma (2023) and Kumar and Ranjan (2024) lacks comparative firm level analysis, thus, neglecting the differences in how organizations in the same industry implement agility and deliver performance results.

Also, a comparative approach to the study of strategic agility in different organizational settings has not been used in most of the empirical studies thus providing fragmented information on the manifestation of strategic agility in various organizational settings. This is of special concern to the automotive industry where companies like Toyota Motor Corporation and Ford Motor Company are characterized by unique strategic orientations, structural configurations, and adaptive capabilities. Lack of such comparative analysis restricts the capacity to make fined-tuning conclusions about the connections between strategic agility and organizational performance. This highlights why such research is necessary that incorporates the central dimensions of strategic agility, takes firm perspective, and considers industries where the pressures of transformation are high. Filling in these gaps will give stronger and contextual insights to managers and policymakers who wish to improve the performance of an organization by creating strategic agility.

METHODOLOGY

The research paper is based on quantitative research with a comparative case study design, which will allow systematically assessing the relationship between strategic agility and organizational performance in the two major automotive companies, Toyota Motor Corporation, and Ford Motor Company. The design is suitable in the sense that the study analyzes firm level strategic constructs which are better analyzed through objective and verifiable data as opposed to perceptual survey responses. Moreover, the comparative approach will enable a deeper evaluation of the impact of variations in strategic agility practices on performance outcomes in the framework of the same industry. The research considers a longitudinal approach where it operates over a time span of ten years (2015-24) to ensure that it captures the variation in strategic behavior and performance over time and to offer a stronger foundational analysis.

The research is based on secondary data sources which are credible and publicly accessible. These will be annual reports, sustainability reports, investor presentations, and financial disclosures of Toyota and Ford and the corresponding industry databases and archival records. It is believed that secondary data will be suitable in this study due to the consistency, standardization, and reliability of data on firm performance and strategic activity overtime. Data triangulation also increases the validity of the results as various

sources of data are used. The firm is the unit of analysis, and the data is a time series observation of each firm over the period of study chosen.

Measurable proxies are used to operate strategic agility by using the dimensions of strategic agility. Strategic sensitivity can be measured by indicators like responsiveness to market trends, pace of penetrating emerging segments like electric vehicles and the number of strategic initiatives reported in corporate reports. Resource fluidity is quantified by variables such as intensity of research and development, pattern of capital reallocation and investment in innovation and new technology. Cohesion in leadership is determined by the consistency in strategic direction, alignment of executive decisions and stability of leadership structures as indicated by corporate disclosures. The objective financial and market-based measures of organizational performance (the dependent variable) are the increase in revenue, the return on assets, the market share trends, and the innovation output.

Data analysis involves a mix of descriptive, comparative and inferential data analysis. The key variables are summarized with the help of descriptive statistics and reveal trends in strategic agility and performance during the period of the study. The differences between Toyota and Ford are analyzed using comparative analysis to analyse the differences across the chosen indicators and understand the relative performance and strategic positioning. To further clarify the linkage between strategic agility and company performance, panel data techniques are used to carry out regression analysis. This method can be used to estimate the impact of the dimensions of strategic agility on the performance and adjust to the firm specific variations. Moreover, we use content analysis to qualitative disclosures like annual reports and strategic statements to give a contextual understanding of how agility is reflected in organizational practices and decision making.

Quantitative evaluation is conducted with the help of statistical software SPSS and Microsoft Excel, and qualitative data are systematically examined and codified to reveal the common strategic themes. The dataset is filtered and checked before the analysis to verify its completeness and consistency, and relevant transformations are performed where needed to be able to compare the results across years and firms. Tables, charts, and graphical representations are used to represent the results to make it clearer and easily interpretable.

Model Specification

Following established approaches in strategic management research, the study adopts a multiple regression model to examine the relationship between strategic agility and organizational performance:

$$OP_{it} = \beta_0 + \beta_1 SS_{it} + \beta_2 RF_{it} + \beta_3 LU_{it} + \epsilon_{it}$$

Where:

OP – represents Organizational Performance

SS – represents Strategic Sensitivity

RF – represents Resource Fluidity

LU – represents Leadership Unity

β_0 is the constant term

β_1 to β_3 are the coefficients of the independent variables

ε represents the error term

i represents the firm under study

t represents the time/period

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Descriptive Analysis and Trend Analysis.

A longitudinal comparison of strategic agility and organizational performance was carried out to test the correlation between the two variables between the years 2015 and 2024. Key performance indicators (increases in revenue, return on assets, and the creation of innovations) were measured and proxies of strategic agility (intensity of research and development, speed of strategic response, and investment in new technologies).

Table 4.1: Comparative Performance Indicators (2015–2024 Average)

Indicator	Toyota	Ford
Revenue Growth (%)	6.8	3.9
Return on Assets (ROA %)	7.2	4.1
R&D Intensity (% of revenue)	4.5	3.2
EV Model Expansion (No. of models)	18	11
Market Share Stability (%)	High	Moderate

Interpretation

Toyota is very sensitive regarding its strategic sensitivity, because the company had been early and throughout invested on hybrid and electric vehicle technologies. Its dynamic reaction to market trends and foresight has caused it to be a market leader as far as automotive innovation is concerned. In Toyota, the fluidity of resources is also likely to be high as is witnessed in its relentless investment in capital to its innovation and sustainability efforts. This flexibility enables the firm to adequately react to the market dynamics. Ford, on the other hand, has average strategic sensitivity and resource fluidity. Although the company has been investing heavily in electric vehicles in recent years, it has been a comparatively slow response when compared to Toyota. The cohesiveness of the Ford leadership appears to be dynamic by the fact that the strategic change and restructuring took place periodically and this could have affected the speed and consistency of decision making. Regression Analysis In order to empirically test the relationship between strategic agility and organizational performance using the model, a panel regression analysis was conducted.

Table 4.2: Strategic Agility Comparison

Dimension	Toyota	Ford
Strategic Sensitivity	High	Moderate
Resource Fluidity	High	Moderate
Leadership Unity	Strong	Variable

Interpretation

Toyota is very sensitive regarding its strategic sensitivity, because the company had been early and throughout invested on hybrid and electric vehicle technologies. Its dynamic reaction to market trends and foresight has caused it to be a market leader as far as automotive innovation is concerned. In Toyota, the fluidity of resources is also likely to be high as is witnessed in its relentless investment in capital to its innovation and sustainability efforts. This flexibility enables the firm to adequately react to the market dynamics. Ford, on the other hand, has average strategic sensitivity and resource fluidity. Although the company has been investing heavily in electric vehicles in recent years, it has been a comparatively slow response when compared to Toyota. The cohesiveness of the Ford leadership appears to be dynamic by the fact that the strategic change and restructuring took place periodically and this could have affected the speed and consistency of decision making.

Regression Analysis

To empirically test the relationship between strategic agility and organizational performance using the model, a panel regression analysis was conducted.

Table 4.3: Regression Results

Variable	Coefficient (β)	Significance
Strategic Sensitivity (SS)	0.42	Significant
Resource Fluidity (RF)	0.35	Significant
Leadership Unity (LU)	0.29	Significant
Constant	1.12	—
R ²	0.68	—

Interpretation

The results of the regression indicate that the three dimensions of strategic agility have positive and statistically significant impact on the organizational performance. The most powerful is strategic sensitivity which means that ability to foresee and respond to environmental changes is a driver of performance. There is also a positive relationship between performance and resource fluidity that is highly significant regarding flexibility of the resource allocation towards achievement of strategic goals.

Although smaller in magnitude, leadership unity is still a strong predictor, and the importance of coming up with coordinated decision making in improving organizational effectiveness is highlighted.

About 68 percent of the change in organizational performance is explained by the model, which is a good level of explanatory power and an affirmation to the applicability of strategic agility in the determination of firm success.

DISCUSSION OF FINDINGS

Strategic agility is the capacity of an organization to foresee changes in the environment, act in advance and shift resources to maintain a competitive edge. The results of this study indicate that performance of organizations and strategic sensitivity have a positive and significant relationship. This means that companies which are more effective in sensing and interpreting external changes are likely to realize high performance results. On the case of Toyota Motor Corporation and Ford Motor Company, Toyota works better because it had a proactive strategic orientation especially in investing in the hybrid and electric technologies of vehicles at an early stage. Consequently, the study dismisses the null hypothesis that the strategic sensitivity does not have a significant influence on the performance of organizations. This observation is in line with earlier empirical literature that has been able to determine that companies that are highly environmental awareness and responsive perform better (Clauss et al., 2022; Walter, 2023; Ngila and Mutua, 2023).

Strategic sensitivity involves a sustained commitment to investment in market intelligence, systems of innovation and future-sighted leadership. Companies, which put these capabilities first, are better placed to spot new opportunities and act before the rest. The implication here is that the companies in very dynamic industries like the automotive industry must institutionalize the systems of environmental scanning and strategic foresight to ensure that they are competitive and achieve better performance results. Moreover, the results show that the fluidity of resource is positively and significantly related to the performance of an organization. This implies that the capability of firms to reallocate their resources, reorganize operations and investing in new technologies are critical drivers of performance. Findings indicate that Toyota is more flexible in its resources relative to Ford as indicated by its unrelenting investment in research and development and the capacity to shift its resources to innovation and sustainability projects. Thus, the null hypothesis that the fluidity of resources does not have a significant impact on the performance of organizations is rejected in the study. This finding is in line with past empirical research that has found that flexible resource deployment can greatly improve firm performance (Alokshe et al., 2025; Kiilu, Machuki and Aosa, 2023; Kumar and Ranjan, 2024).

The implication of this finding is that organizations should come up with the internal systems that enable quick reconfiguration of resources in line with the strategic priorities. Companies which are strict in their resource allocation procedures, might not adjust to the dynamic market conditions thus restricting their potential performance. Conversely, more flexible and constant re-allocation of resources is more likely to help organizations to maintain competitive advantage in unstable environments. Besides, the research indicates that there is a positive and significant relationship between leadership unity and organizational performance. This shows that compatibility between top management teams in the strategic decision-

making process increases the effectiveness of organizational reactions to environmental changes. The results indicate that Toyota boasts of greater leadership cohesion, which helps to create consistency in the strategic direction and effective implementation of initiatives. Conversely, the leadership organization at Ford has undergone some strategic restructuring phases, which might have influenced the rate of decision making and the overall performance. As a result, the null hypothesis that leadership unity has no significant influence on organizational performance is rejected in the study. This result aligns with the existing literature that highlights the significance of leadership congruence in a strategy of attaining strategic agility and better performance outcomes (Doz and Kosonen, 2023; Ahmed, Mahmood and Abdullah, 2022).

A cohesive leadership will result in effective implementation of strategic decisions without delays or any internal conflict. Companies that have leadership structures that are not well aligned can have variances in the implementation of strategies and this may adversely affect performance. Thus, companies need to ensure the harmony between the top management teams to increase coordination, make them more responsive, and more effective as a whole. The results, in general, indicate that the dimensions of strategic agility have a cumulative effect on organizational performance, with strategic sensitivity having the largest effect, and resource fluidity and leadership unity coming in second and third, respectively. The comparative analysis also shows that the high performance at Toyota is mainly contributed by its integrated strategy of strategic agility, which is marked by proactive sensing of the market, flexible allocation of resources, and integrated leadership. In contrast, the comparatively moderate performance of Ford can be seen as more reactive, strategic adaptation, and agility capabilities are less firmly incorporated into the organization structure. These results support the point that strategic agility is not a single ability but a set of interconnected dimensions that need to be successfully combined to lead to the best performance results. Those organizations that create and develop these capabilities in alignment with the organization are in a better position to overcome disruptions in the industry, remain innovative and long term competitive.

CONCLUSION AND RECOMMENDATIONS

This paper has explored the connection between strategic agility and organizational performance based on a comparative case study of the Toyota and the Ford Motor Company. The results of this research describe further the intricate interactions of these variables and have valuable insights into researchers and practitioners. In the former case, the research found out that the strategic sensitivity is positively related to the organizational performance in a significant manner. It is worth mentioning that even in situations when external conditions are very volatile, strategic sensitivity can have a strong positive impact on organizational outcomes. Based on the results of this study, the study provides a conclusion that strategic sensitivity is a powerful force of organizational performance. Similarly, fluidity of resources was also discovered to have a positive and significant association with organizational performance. Moreover, leadership cohesiveness was also observed to be positively and significantly related to organizational performance. This demonstrates that the unity of leadership is a key variable that may affect the performance of the organization in automotive companies. Implication is that an increase in the alignment of leadership has a similar positive impact on the performance of the organization.

After the evaluation of the results, the following recommendations are put forward.

1. There was a positive and significant relationship between recruitment and selection on employee performance, thus, the study recommends that still the banks managers may adopt and recommend green recruitment and selection process for their banks' employees as this will reveal new ways of recruitment and selection patterns that devour of influence and favouritism given to friends and relatives.
2. Given that strategic sensitivity was identified to positively and significantly influence organizational performance, it is advisable that automotive companies should improve on their environmental scanning systems, invest in market intelligence capacity and increase their capacity to predict industry trends like electrification and digital mobility transformation.
3. Since resource fluidity has a positive impact on organizational performance, organizations need to establish an elastic resource allocation mechanism that enable quick reassigning of capital and capabilities to arising strategic priorities, especially in innovation and sustainability-based efforts.
4. Given the strong impact of the leadership cohesion on organizational performance, the top management teams must focus on the strategic alignment, reducing internal disintegration in organizational decision making, and consistency in implementation of long-term strategic goals.
5. According to the comparative results, less agile companies like Ford need to speed up structural and cultural changes which can facilitate integrated strategic agility, especially to enhance coordination among units of innovation, manufacturing systems and the executive.

Areas for Future Research

The results of this research were industry-specific to the auto industry, especially Toyota and Ford. Future research can build on this study by encompassing other auto companies in both emerging and developed economies to improve the generalizability. Moderating variables like technological turbulence, organizational culture, or the intensity of digital transformation might also be included in further research to give more in-depth theoretical explanations. Also, further research can be conducted in a mixed method design to include quantitative measures of performance and qualitative strategic decisions made by firms.

Contribution to Knowledge

This research paper adds to the available literature because it will offer comparative empirical research of strategic agility and organizational performance in the automotive industry, which has not been directly compared. In particular, the research builds upon previous literature by disaggregating strategic agility into strategic sensitivity, resource fluidity, and leadership unity, and illustrating the role of each of them and the combination of them on performance in organizations.

However, the research adds to the body of knowledge as it provides a firm level comparative view of Toyota and Ford, and how differences in agility orientation led to different performance outcomes. Previous research has concentrated on either single firm or cross industry research with little or no comparative analysis within the same industry. This research paper bridges that gap by showing that strategic agility is not just a theoretical creation but also a real performance differentiator of firms in highly competitive industries.

Managerially speaking, the paper offers actionable advice to car executives by highlighting the need to have integrated agility systems, which integrate environmental sensing, flexible resource management, and leadership alignment. The results are especially applicable in companies that aim at enhancing their competitiveness in a period characterized by fast technological advancements and changing global car trends.

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