

Investigating the impact of open enablers on the agility of selected small and medium enterprises in Yazd Industrial Estate

Zahra Rezaei Sadrabadi¹ , Seyed Haidar Mirfakhradini² , Dawood Andalib Ardakani³ 

1- PhD student, Industrial Management, Faculty of Economics, Management and Accounting, Yazd University, Yazd, Iran.

2- Professor, Department of Industrial Management, Faculty of Economics, Management and Accounting, Yazd University, Yazd, Iran.

3- Associate Professor, Department of Industrial Management, Faculty of Economics, Management and Accounting, Yazd University, Yazd, Iran.

Receive:

23 February 2024

Revise:

14 July 2024

Accept:

27 July 2024

Abstract

The purpose of this study is to investigate the role of open innovation, social capital, collaborative knowledge creation, and cooperation with foreign partners to increase agility in today's turbulent world, and provide a new model for applying open agility enablers in selected small and medium enterprises of Yazd Industrial City. The research method used in this research is applicable in terms of purpose, and it is a descriptive-survey type of research. The statistical population of this research includes experts from top and middle managers of 17 selected small and medium companies in Yazd Industrial City, totaling 92 people. Due to the limited availability of the population, the census method was used to collect data; and finally 89 questionnaires were returned. The data collection tools include the questionnaires of collaborative knowledge creation by Al-Amoush et al., (2020), organizational agility by Lee et al., (2015), social capital by Liu et al., (2016), cooperation with external partners by Rezazadeh and Nobari (2018), and open innovation by Chen and Liu (2018). Smart PLS software was used to check the validity, reliability and fit of the conceptual model of the research, and the validity and reliability of the questionnaire questions were confirmed. The research results showed that all 4 research hypotheses were confirmed based on the significant values of the hypotheses. Therefore, organizational agility is significantly influenced by open innovation followed by cooperation with foreign partners and the creation of collaborative knowledge, and social capital has a positive and significant effect on the creation of collaborative knowledge in small and medium-sized companies selected in Yazd Industrial City.

Keywords:

Open innovation,
collaborative
Knowledge creation,
cooperation with
Foreign partners,
Agility,
Small and medium
enterprises

Please cite this article as (APA): Rezaei Sadrabadi, Z., Mirfakhradini, S. H. and Andalib Ardakani, D. (2025). Investigating the impact of open enablers on the agility of selected small and medium enterprises in Yazd Industrial Estate. (e202039). *Journal of value creating in Business Management*, 5(2), 47-69.



<https://doi.org/10.22034/jvcbm.2024.445342.1322>



Authors retain the copyright and full publishing rights.

Published by Research Center of Resource Management Studies and Knowledge-Based Business. This article is an open access article licensed under the Creative Commons Attribution 4.0 International (CC BY 4.0)

Publisher: Research Center of Resource Management Studies and Knowledge-Based Business

Corresponding Author: Seyed Haidar Mirfakhradini

Email: mirfakhr@yazd.ac.ir

Extended Abstract

Introduction

In a rapidly changing business environment, organizations often face challenges such as market turbulence, competitive pressures, and unexpected disruptions (Baškarada & Koronios, 2018). To progress in today's dynamic environment, organizations must have the ability and agility to adapt to these changes and make new adjustments and increase their innovation capacity (Audretsch & Belitski, 2023), which agility plays an important role in the activities of different areas of the organization to help responding to changes (Rezaei Sadrabadi & Karimi, 2022). The goal of organizational agility is to create satisfied customers and employees and a set of necessary capacities to respond to changes in the business environment, therefore, increasing organizational agility is necessary (Nikkhah, 2022). But traditional competitive strategies are ineffective in facing the uncertainty in today's working conditions (Arsawan et al, 2020) and more openness of the business model and the dissolution of closed organizational boundaries are obviously needed to maintain competition in this evolving landscape (Redlich et al, 2008), and companies need agility, innovation, and flexibility with an open approach to maintain their share in the market. This is especially important for small and medium-sized companies that have limited financial resources, human resources, and research and development. Since creating agility and innovation requires a lot of investment in the field of human resources and research and development, agility and innovation with an open approach is a fast and efficient way to acquire the necessary resources and capabilities (Mirfakhradini & Rezaei Sadrabadi, 2020). Considering that many small and medium companies in Yazd Industrial City use closed management methods and processes and avoid communication with the external environment and cooperation with foreign partners, it prevents them from acquiring more knowledge, agility and sufficient flexibility. Therefore, in order to achieve open capabilities in agility, more research should be done on the prerequisites and enablers of open agility in today's new conditions and in accordance with the small and medium enterprises of Yazd Industrial City. Therefore, in this research, we are looking for an answer to this question: what is the effect of open enablers on the agility of selected small and medium companies in Yazd Industrial City?

Theoretical Framework

Organizational agility and dynamic capabilities in small and medium enterprises

Organizational agility is rooted in the two main concepts of reactive adaptation and organizational flexibility (Sherehiy et al, 2007), which shows the ability to recognize specific environmental conditions and quickly deal with changes in resources, business processes, and organizational strategies (Žitkiene & Deksnys, 2018). In the sector of small and medium enterprises, adaptation and quick response to issues and problems will be necessary for future development (Liu & Yang, 2020). Basically, organizational agility can be introduced as the ability to respond with the aim of identifying and implementing a more efficient approach in a complex environment (Panda & Rath, 2016).

Social capital and collaborative knowledge creation

Researches in the past investigated the function of social capital in supporting knowledge management to achieve sustainable performance (Tu, 2020). Social networks in the organization can act as a channel for transferring and integrating knowledge, in a way that improves the creation of dynamic ideas, new values and their sharing (Ode & Ayavoo, 2020). Collaborative knowledge creation is introduced as a collaborative approach (Calantone et al, 2002) in creating and developing knowledge between partners in order to improve insight into changes (Zhao et al, 2020).

Open innovation and organizational agility

Open innovation reduces the risks associated with trial and error by providing access to diverse and complementary knowledge. It acts as a catalyst for a company's innovation engine, and offers exceptional flexibility (Bianchi et al., 2016). In addition, the approach of using external resources fosters the continuous exchange of knowledge with colleagues, thereby increasing knowledge diffusion (Scuotto et al., 2017). Open innovation enables companies to save significant time and resources needed to develop market-specific knowledge to exploit opportunities (Lee et al., 2015).

Collaboration with external partners and agility

Collaboration is considered as a useful strategy for making companies agile thanks to access to the other party's resources and knowledge during the implementation of joint projects (Sanchez & Nagi, 2001). Cooperating with an agile company makes the main capabilities and competencies of the other party, which are more adaptable and responsive to the demands and rapid changes of customer markets, to be jointly exploited (Yusuf et al., 2014).

Motwani & Katatria (2024) in a review study investigated the concept of organizational agility and its relevance in today's dynamic business environment in order to identify the key factors affecting organizational agility and the benefits associated with cultivating agility. The results showed that organizational agility is important in three basic aspects: strategic level or market investment level, internal operation level, and individual level.

Arifin & Purwanti (2023) investigated the role of leadership agility, organizational culture, and motivation on organizational agility. In general, this research emphasizes the importance of leadership agility, organizational culture, and motivation in guiding and sustaining organizational agility. The findings emphasize the importance of training agile leaders, fostering a supportive culture, and fostering employee motivation to enhance an organization's ability to adapt, innovate, and thrive in a dynamic business environment.

Research methodology

The research method used in this research is applicable in terms of purpose, and it is a descriptive-survey type of research. The statistical population of this research includes experts from top and middle managers of 17 selected small and medium companies in Yazd Industrial City, totaling 92 people. Due to the limited availability of the population, the census method was used to collect data; and finally 89 questionnaires were returned. The data collection tools include the questionnaires of collaborative knowledge creation by Al-Amoush et al., (2020), organizational agility by Lee et al., (2015), social capital by Liu et al., (2016), cooperation with external partners by Rezazadeh and Nobari (2018), and open innovation by Chen and Liu (2018). Smart PLS software was used to check the validity, reliability and fit of the conceptual model of the research conceptual model.

Research findings

Based on the significant values obtained in the hypothesis test, all 4 research hypotheses were confirmed. The findings of the research show that open innovation as far as 55.4%, cooperation with foreign partners 20.6%, and collaborative knowledge creation 24.3% impact on the organizational agility of small and medium-sized companies selected in Yazd Industrial Town; and social capital 84.8% impacts on the creation of cooperative knowledge of selected small and medium companies in Yazd Industrial Town.

Conclusion

The current research was conducted with the aim of identifying and investigating the impact of open enablers on the organizational agility of small and medium-sized companies selected

in Yazd Industrial City, and investigated the impact of cooperation with foreign partners, collaborative knowledge creation, and open innovation on agility. The results of this research are consistent with the results of Chung et al, (2019), Al-Omouh et al, (2020), Cepeda & Arias-Pérez (2019), Ravichandran (2018), and Ahmadi & Ershadi (2021).

The results of the first hypothesis show that the existence of social capital in selected small and medium companies of Yazd Industrial City can lead to an increase in collaborative knowledge creation in them. Therefore, creating a mechanism for the interaction of all social resources directly and indirectly for the use of social capital in selected small and medium companies of Yazd Industrial City will lead to the production of more collaborative knowledge.

The results of the second hypothesis show that the creation of collaborative knowledge in selected small and medium companies of Yazd Industrial City can lead to an increase in organizational agility. Therefore, in order to use collaborative knowledge capital, companies must have an open and cooperative model and increase agility.

The results of the third hypothesis show that cooperation with foreign partners can lead to the improvement of organizational agility in selected small and medium-sized companies in Yazd Industrial City. Therefore, by cooperating with foreign partners, companies are more successful in achieving agility and responding to the market due to access to more external resources.

The results of the fourth hypothesis show that open innovation can lead to an increase in organizational agility in selected small and medium-sized companies in Yazd Industrial City. Therefore, by using open innovation, companies can identify and use more resources and opportunities and increase agility.

According to the results of this research, the following suggestions are presented:

Companies should seek to identify suitable external partners and provide opportunities for collaborative knowledge creation and create online knowledge bases for storing and sharing knowledge and information, creating an organizational culture suitable for open innovation, and creating an atmosphere of cooperation with universities, research centers, and other companies to develop innovative ideas.