



Execution Agility, Organizational Stability, and the Role of Environmental Turbulence: A Systematic Literature Review toward an Agile Absorption Framework

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Abstract

This systematic literature review examines how Execution Agility and Organizational Stability jointly drive firm performance under Environmental Turbulence. Addressing the common overemphasis on agility which can lead to a detrimental dithering effect this study reconceptualizes stability not as structural inertia, but as a critical shock absorption capability. Following the PRISMA 2020 guidelines, 70 primary studies were systematically synthesized to develop an integrated Agile Absorption framework grounded in the Dynamic Capabilities View and Contingency Theory. The proposed model highlights that execution agility an offensive capability and organizational stability a defensive capability and their impacts on performance are moderated by environmental turbulence. Ultimately, this paper provides a quantitative research agenda to empirically test the proposed model using PLS-SEM in emerging markets such as Thailand.

Keywords: Execution Agility, Organizational Stability, Agile Absorption, Environmental Turbulence, Firm Performance

Introduction

In the contemporary VUCA: Volatility, Uncertainty, Complexity and Ambiguity business landscape, Organizational Agility, the ability to sense and respond to changes has become a dominant survival paradigm. However, prevailing literature often overlooks the limits of agility. Reed (2021) warns of a dithering effect in highly turbulent environments, where excessive strategic shifts lead to resource exhaustion, strategic indecision, and diminished performance. This indicates that agility alone is insufficient and can be detrimental if not anchored by a stabilizing force.



Challenging the traditional view of stability as mere inertia or rigidity (Hannan & Freeman, 1984), recent scholarship redefines it as a positive dynamic capability. Sull (2009) introduces the concept of Agile Absorption, positing that successful firms build absorption capabilities such as financial buffers and robust routines to withstand unpredictable shocks. Supported by empirical evidence, Boyne and Meier (2009) demonstrate that in turbulent environments, organizations maintaining structural stability consistently outperform those that restructure frequently, as stability acts as a crucial buffer against external volatility.

Research Questions

1. How are Execution Agility and Organizational Stability conceptualized to form an integrated Agile Absorption framework?
2. How do these capabilities affect firm performance, and how does stability mitigate the potential dithering effect?
3. How does Environmental Turbulence moderate the joint effectiveness of agility and stability?
4. What quantitative research model and hypotheses can be developed to validate this framework in emerging markets like Thailand?

Research Objectives

1. To systematically review the concepts of agility and stability into an integrated framework.
2. To identify gap in related theories.
3. To propose a conceptual framework for future empirical research.

Concept theory framework

To investigate the drivers of firm performance in a volatile business landscape, this study proposes a framework rooted in the Dynamic Capabilities View (DCV) and Structural Contingency Theory. While the Resource-Based View (RBV) is inherently static and Organizational Resilience Theory primarily focuses on post-shock recovery, DCV is preferred because it uniquely captures the continuous, proactive reconfiguration of resources required in a VUCA environment. Under DCV, both agility and stability are viewed not as static traits, but as dynamic, complementary capabilities. Furthermore, Structural Contingency Theory posits that there is no universally best capability configuration; rather, optimal performance depends on external conditions. This specifically justifies the inclusion of Environmental Turbulence as a moderator, dictating the varying necessity of agility and stability in changing environments. The model posits



that Execution Agility and Organizational Stability are two distinct, essential capabilities that have been linked to Firm Performance in prior studies. The Dual-Driver Model Unlike traditional perspectives that view agility and stability as trade-offs, this study adopts the Agile Absorption perspective (Sull, 2009), arguing that firms must cultivate both capabilities simultaneous to survive and thrive.

Materials and Methods: Systematic Literature Review

Research Design and Search Strategy This study employs a Systematic Literature Review (SLR) adhering to the PRISMA 2020 guidelines to synthesize fragmented research on Execution Agility and Organizational Stability, aiming to develop an integrated theoretical framework. A structured search was conducted across two leading databases, Scopus and Web of Science, utilizing the following Boolean string: ("*Execution Agility*" OR "*Organizational Agility*") AND ("*Organizational Stability*" OR "*Resilience*" OR "*Absorptive Capacity*") AND ("*Firm Performance*").

Inclusion and Exclusion Criteria

To ensure theoretical relevance and rigor, the review was restricted to peer-reviewed, English-language journal articles published up to 2025. This timeframe was deliberately chosen to capture both seminal foundational theories (e.g., the Dynamic Capabilities View established in the 1990s) and contemporary empirical findings. Included studies had to provide empirical evidence or robust conceptual insights regarding firm-level agility, stability, and performance outcomes under environmental turbulence. Conversely, purely practitioner-oriented publications, studies focusing exclusively on individual-level agility, and non-business contexts were systematically excluded.

Study Selection and Synthesis Procedure

As illustrated in the PRISMA 2020 flow diagram, the initial database search yielded 450 records. Following duplicate removal and rigorous screening of titles and abstracts, 145 full-text articles were assessed for eligibility. Ultimately, a final set of exactly 70 primary studies met all inclusion criteria. These studies were synthesized using thematic analysis, allowing patterns, similarities, and divergences across prior research to be systematically identified. A PRISMA flow diagram is provided in Figure 1 to illustrate the selection process.

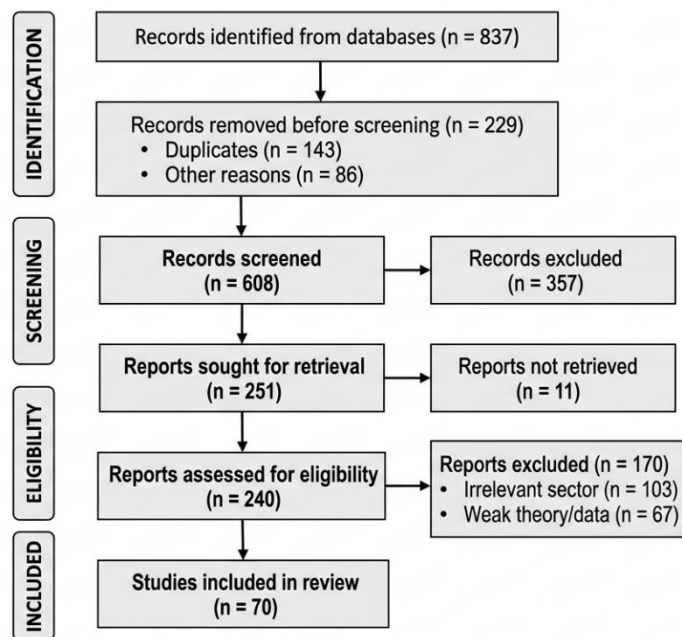


Figure 1: PRISMA Flow Diagram of Study Selection Process

Future Research Agenda and Conceptual Propositions

Derived from the systematic synthesis, the following propositions offer a theoretically grounded agenda for future quantitative testing, maintaining a clear distinction between conceptual derivation and empirical validation. To provide directional predictions, these propositions incorporate theoretical rationales:

Proposition 1: Execution Agility positively influences firm performance. *(Rationale: Under the Dynamic Capabilities View, rapid resource reconfiguration enables firms to seize emerging opportunities).*

Proposition 2: Organizational Stability positively influences firm performance. *(Rationale: Robust routines and financial buffers act as vital "shock absorbers" that ensure operational continuity).*

Proposition 3: Environmental Turbulence negatively moderates the agility-performance relationship. *(Rationale: Excessive agility in high turbulence exacerbates the "dithering effect," leading to strategic confusion and resource exhaustion).*

Proposition 4: Environmental Turbulence positively moderates the stability-performance relationship. *(Rationale: Contingency theory posits that stabilizing buffers become increasingly critical for survival under extreme uncertainty).*

Proposition 5: Execution Agility and Organizational Stability have a joint, synergistic positive effect on firm performance. *(Rationale: The ambidexterity hypothesis suggests that simultaneously cultivating offensive speed and defensive stability yields superior outcomes).*



Proposition 6: Organizational Stability mediates the relationship between Execution Agility and firm performance. (*Rationale: Stable core routines prevent resource burnout, effectively translating rapid agile maneuvers into sustained long-term performance*).

Results

Reflecting the study's emphasis on framework development over primary statistical analysis, this section presents a thematic synthesis of 70 studies following PRISMA 2020 guidelines. Recent literature, predominantly rooted in the Dynamic Capabilities View (DCV), reveals a critical paradigm shift: while agility dominates VUCA survival strategies, "Organizational Stability" is increasingly recognized as an essential, yet overlooked, performance driver. This synthesis yields three key themes underpinning the proposed "Agile Absorption" framework.

Table 1: Thematic Synthesis of the Agile Absorption Framework

Thematic Area & Role	Core Dimensions / Concepts	Synthesized Findings	Supporting Literature
Theme 1: Deconstructing Execution Agility <i>(The Offensive Capability)</i>	<p>1. Strategic Sensitivity: Real-time awareness of trends and threats.</p> <p>2. Leadership Unity: Rapid, consensus-based decision-making by TMT.</p> <p>3. Resource Fluidity: Swift reallocation of funds and personnel.</p>	Consistently identified as a multidimensional construct essential for seizing market opportunities. Requires not only the ability to notice trends but also unified leadership and fluid resources to act upon them rapidly.	Reed (2021); Mueller-Saegebrecht (2025); Arokodare & Asikhia (2020); Brueller et al. (2014); Diete-Spiff & Olori (2021); Shin et al. (2015); Thompson & Clarke (2022)
Theme 2: Re-conceptualizing Stability <i>(The Defensive Capability)</i>	<p>1. Shock Absorption: Robust routines and financial reserves.</p> <p>2. Prevention of the</p>	Challenges traditional views of stability as mere "inertia." Reconceptualizes it as a positive dynamic	Sull (2009); Boyne & Meier (2009); Trieu et al. (2023); Roffia & Dabić (2024); Emiaso &



Thematic Area & Role	Core Dimensions / Concepts	Synthesized Findings	Supporting Literature
	"Dithering Effect": Anchoring the firm against strategic confusion.	capability that acts as a vital buffer against external shocks and prevents resource exhaustion caused by excessive agility.	Okafor (2023); Reed (2021)
Theme 3: The Role of Environmental Turbulence <i>(The Contextual Moderator)</i>	1. Contingent Effectiveness: Moderating the agility-performance relationship. 2. Necessity vs. Luxury: Context-dependent capability valuation.	Confirms that the effectiveness of agility and stability depends on the external environment. In stable markets, agility is an unnecessary luxury; in highly turbulent conditions, both agility (to adapt) and stability (to survive) become absolute necessities.	Mao et al. (2015); Srikanlayaniwart (2022); Arokodare (2021); Ahmed et al. (2022); Arici & G

Identification of Research Gap

Despite the proliferation of literature on Agile Absorption, this systematic review addresses three critical gaps:

Gap 1: The Agility Bias and the Neglect of Stability. Prevailing literature frequently exhibits an agility bias, treating agility as a universally positive driver that always improves firm performance without qualification (e.g., Nafei, 2016; Arsawan et al., 2022; Palanisamy et al., 2022). However, recent evidence challenges this assumption. Reed (2021) identifies a dithering effect, where excessive agility without a stabilizing core leads to strategic confusion, resource exhaustion, and declining performance. Current SME studies emphasize innovation and responsiveness (Piriyakul et al., 2024; Srisathan et al., 2023) but overlook this dark side of agility when it lacks the counterbalance of shock absorption.

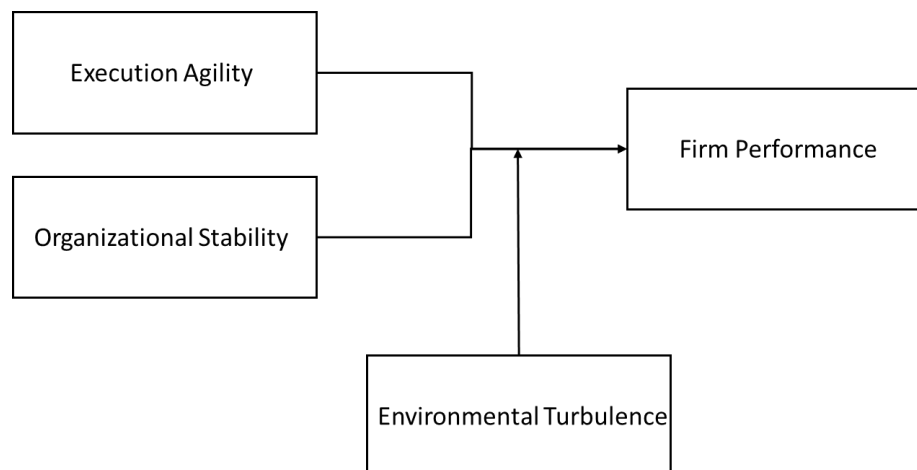


Gap 2: Conceptual Misinterpretation of Stability. In traditional strategic management, stability is frequently conflated with inertia or rigidity (Hannan & Freeman, 1984), viewed as detrimental to adaptation. This contradicts the Agile Absorption framework (Sull, 2009; Boyne & Meier, 2009), which argues that stability (e.g., financial buffers, robust routines) acts as an essential platform that enables agility. Notably, an initial database search yielded no prior systematic review jointly examining agility and stability as complementary capabilities under environmental turbulence.

Gap 3: Contextual Gap in Emerging Markets (Thai Context). While agility and innovation have been explored in Thailand, the research is highly fragmented. Prior studies narrowly focus on specific facets like human agility in SMEs (Piriyakul et al., 2024), open eco-innovation (Srisathan et al., 2023), or specific sectors like hotels (Srikanlayaniwart, 2022). There is a lack of a holistic, firm-level framework examining the Agility-Stability tension across diverse Thai industries, specifically investigating how Environmental Turbulence acts as a boundary condition moderator, dictating when a firm should prioritize agility versus stability.

Execution Agility (IV1): Acts as the Offensive capability, allowing the firm to seize emerging opportunities through speed and resource fluidity.

Organizational Stability (IV2): Acts as the Defensive capability (Shock Absorption), providing the financial buffers and robust routines necessary to withstand external shocks without collapsing.



This conceptual framework is derived from the synthesis of findings from the systematic literature review, rather than from empirical testing.



Independent Variables (IVs):

1. **Execution Agility** (Strategic Sensitivity, Leadership Unity, Resource Fluidity)
2. **Organizational Stability** (Financial Buffers, Operational Robustness)

Dependent Variable (DV): Firm Performance

Moderator (Mod): Environmental Turbulence (Market, Tech, Competitive Intensity)

Conclusions and Discussion

This systematic review demonstrates that Execution Agility and Organizational Stability are complementary, rather than opposing, capabilities. Synthesizing foundational works (Sull, 2009; Boyne & Meier, 2009; Reed, 2021), this study advances the Agile Absorption framework. It reveals that while agility enables firms to seize opportunities in volatile environments, stability acts as a critical shock absorber, preventing the detrimental dithering effect of excessive strategic fluctuation. Furthermore, Environmental Turbulence serves as a key boundary condition dictating when speed becomes necessary and stability becomes indispensable. Ultimately, this study provides a consolidated theoretical foundation for future empirical research to test how firms, particularly in emerging markets, can optimally balance agility and stability to sustain competitive performance.

Theoretical Contributions: This review contributes to the strategic management literature in four key ways. First, it advances the Agile Absorption concept by synthesizing fragmented literature into an integrated capability configuration, moving beyond the traditional speed-versus-stability trade-off (Sull, 2009; Boyne & Meier, 2009). Second, it addresses the dark side of agility by reconceptualizing stability as a dynamic mitigating mechanism against the dithering effect (Reed, 2021). Third, it establishes Environmental Turbulence as a crucial boundary condition governing the joint effectiveness of agility and stability. Finally, it extends these foundational concepts into emerging market contexts (e.g., Thailand), providing a theoretically grounded platform for future empirical research in highly volatile non-Western settings.

Managerial Implications: For practitioners, this study warns against the blind pursuit of agility. Executives must cultivate "ambidexterity" by simultaneously building offensive agile capabilities to rapidly seize opportunities, and defensive stabilizing buffers (e.g., financial reserves, robust routines) to absorb external shocks. Firm resource allocation should be dynamically adjusted based on the prevailing level of environmental turbulence.



Limitations and Future Research

As a conceptual synthesis, this study is limited by the absence of primary empirical testing. Future research should quantitatively validate the proposed Agile Absorption framework using Structural Equation Modeling (PLS-SEM) across diverse industries in emerging economies. Additionally, exploring the synergistic effects of ambidexterity will further refine the model's practical applicability.

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