Industrial Marketing Management 125 (2025) 239–253

Contents lists available at ScienceDirect

Industrial Marketing Management

journal homepage: www.elsevier.com/locate/indmarman

Organizational agility and firm performance: The role of architectural marketing capabilities

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ARTICLE INFO

Keywords:
Organizational agility
Firm performance
Architectural marketing capabilities

ABSTRACT

Organizational agility is essential for navigating high-paced and challenging business environments. However, extant literature offers limited insights into the marketing capabilities that determine whether some organizations are more effective in exercising agility than their rivals. The current study aims to address this gap by investigating the role of architectural marketing capabilities (i.e., marketing planning and marketing implementation) in shaping the strength and direction of the agility–performance association. Drawing on a multi-industry sample of 224 business-to-business organizations, the empirical findings demonstrate that the direct impact of organizational agility on firm performance is only marginally positive, while marketing planning and marketing implementation capabilities exert a negative and positive moderating effect, respectively. Specifically, organizational agility is positively associated with performance only at low levels of marketing planning and at high levels of marketing implementation capability, whereas agility is found to undermine performance at low levels of marketing implementation capability. The study augments knowledge in the strategic marketing literature by revealing the dual role of architectural marketing capabilities in shaping the performance outcomes of agility and provides guidance on the type of capabilities organizations should develop to complement agility.

1. Introduction

Organizational agility – the ability to respond to evolving market conditions in a timely manner – is imperative for remaining competitive (Handscomb et al., 2020). Business environments are characterized by rapidly changing economic, customer, technological and competitive conditions, which necessitates swift reactions; delays in implementing a fitting strategic response to changing market conditions can threaten a firm's survival (Hughes et al., 2020). This is evident in examples such as Bed Bath & Beyond's struggle to adapt to the e-commerce era (Wunker, 2023) and inability of Toys 'R' Us to respond to changing customer wants (Sattel, 2017). The fact that only one in four industrial organizations survive for longer than 15 years further illustrates that many firms struggle to perform under changing market conditions (U.S. Bureau of Labor Statistics, 2023).[1]

Against this backdrop, firms that fail to demonstrate organizational agility run the risk of becoming obsolete. Notwithstanding, we still lack knowledge regarding the conditions under which agility is more, or less, conducive to enhancing firm performance. While existing literature (e.g., Akter et al., 2022; AlNuaimi et al., 2022; Guo et al., 2023) has identified internal (e.g., digital strategy and social media use) and external (e.g., market turbulence and environmental complexity) contingencies of the 'agility–performance' association, scholars have paid considerably less attention to the marketing capabilities that facilitate (or hinder) the effectiveness of organizational agility. This is a clear shortcoming, given that marketing organizations are responsible for strategy execution (Olson et al., 2005; Vorhies & Morgan, 2003) and that exercising organizational agility involves changes that relate to a firm's customer- and competitor-related activities, such as changes in products/services, changes in pricing, and expanding into new markets (Tallon & Pinsonneault, 2011). Marketing organizations, due to being attuned to and in tune with the market, are responsible for identifying

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[1] Importantly, this is a recurring problem, since survival rates have been consistent since the 1960s. Only 19 out of the top 100 U.S.-based industrial companies remained in the top 100 over the years 1965–2005 (Burgelman & Grove, 2007), while the average lifespan of S&P 500 firms was approximately 20 years in 2019 and is projected to be only 12 years in 2027 (Hillenbrand et al., 2019).

https://doi.org/10.1016/j.indmarman.2025.01.005
Received 14 November 2023; Received in revised form 16 December 2024; Accepted 6 January 2025
Available online 17 January 2025

change needs and opportunities, and implementing appropriate strategic responses (Moorman & Day, 2016).

Drawing on the resource-based view of the firm (Barney, 1991), Javidan (1998) competence hierarchy, and the notion of strategic "fit" between business-level and marketing activities (Vorhies & Morgan, 2003), we contend that without appropriate levels of marketing (function-based) capabilities in place, organizational agility (i.e., a business-level competence) is less likely to yield desired performance outcomes. This is particularly important for business-to-business (B2B) organizations, given that B2B markets are characterized by smaller customer segments and long-term success is largely determined by supplier-customer relationships (Lilien, 2016); in such conditions, failure to quickly meet changing customer/market needs can considerably undermine B2B firms' performance (Hughes et al., 2020).

The current study attempts to address this knowledge gap by investigating "*what is the role of architectural marketing capabilities (i.e. marketing planning and marketing implementation capabilities) in shaping the strength and direction of the 'agility–performance' association?*" using a sample of 224 B2B organizations. We focus on architectural marketing capabilities, as they allow firms to plan and realize appropriate resource deployments in a manner that align a firm's strategic choices with marketplace conditions (Morgan et al., 2003). Such capabilities provide decision-making and execution capabilities needed to minimize uncertainty and accomplish strategic goals effectively (c.f. Spyropoulou et al., 2018), thereby contributing to the effectiveness of organizational agility.

The current study contributes to the strategic marketing literature in three main ways. *First*, we complement prior research that focuses on external conditions that modify the strength and direction of the 'agility–performance' association (e.g., Akter et al., 2022; Guo et al., 2023), by providing novel insights on boundary conditions that are internal and therefore controllable by managers. Specifically, we offer actionable recommendations on the type of architectural marketing capabilities organizations should develop to exercise organizational agility effectively and augment the current body of research that tends to view agility as inherently beneficial for firm performance (e.g., Liang et al., 2022; Zhang et al., 2022).

Second, we contribute to a better understanding of RBV's tenet that firm performance depends largely on possessing the 'right' resources and capabilities (Amit & Schoemaker, 1993). Drawing on Javidan's (1998) competence hierarchy, the current study demonstrates the intertwined nature of business-level competencies (i.e., organizational agility) and function-based capabilities (i.e., architectural marketing capabilities) in explaining firm performance. We show evidence that function-based marketing capabilities can enhance but also diminish the effectiveness of organizational agility.

Third, the current study augments our understanding of the marketing planning paradox (c.f. Slotegraaf & Dickson, 2004). While some scholars suggest that planning enhances a firm's ability to deal with market uncertainty (McDonald & Wilson, 2011), others point out that strong planning capabilities create rigidities and stifle firm's ability to be quick and agile (Mintzberg, 1994; Whalen & Holloway, 2012). We shed light on this debate by examining marketing planning capability as a boundary condition of the 'agility–performance' association.

The remainder of this paper is structured as follows. In Section 2, we set out the theoretical background of the study. Section 3 is concerned with hypotheses development and Section 4 with the methodological approach we pursued. The empirical results are presented in Section 5 and, lastly, Section 6 discusses the theoretical and practical implications of the study findings, while also highlighting limitations and providing future research directions.

2. Theoretical background

2.1. Resource-based view (RBV) and competence hierarchy

The RBV (Barney, 1991) provides the overarching theoretical framework for our study. According to the RBV, firms comprise unique bundles of resources and competencies/capabilities that are not freely bought and sold in the market, thereby serving as key determinants of competitive advantage (Amit & Schoemaker, 1993; Wernerfelt, 1984). Specifically, organizational resources and capabilities that are valuable, rare, imperfectly imitable, and non-substitutable allow a firm to create value that cannot be easily matched by its competitors (Barney, 1991).

According to Javidan (1998), a firm's resources, capabilities and competencies exist at different levels within an organization (see Table 1). Resources, namely the tangible and intangible assets that an organization has at its disposal (Grant, 1991), reside at the bottom of the hierarchy and serve as an input to a firm's capabilities. Capabilities are function-based routines that allow firms to exploit its resources (Javidan, 1998); they encapsulate a unique bundle of accumulated and institutionalized knowledge and skills that allow firms to "deploy resources, usually in combination, using organizational processes, to effect a desired end" (Amit & Schoemaker, 1993, p. 35). In turn, competencies exist at the business unit level and enable firms to perform activities, such as new product development and brand management, that require the involvement of multiple functions (e.g., Aaker, 2008). At the highest level of the hierarchy, core competencies are shared across different business units (Gupta et al., 2009). In line with the above categorization, we view organizational agility as a business-level competence and architectural marketing capabilities as function-based capabilities.

2.2. Organizational agility, architectural marketing capabilities, and firm performance

The concept of organizational agility has been applied in various disciplines and contexts, including strategy (e.g., Doz & Kosonen, 2010), marketing (e.g., Kalaignanam et al., 2021), supply chain (e.g., Centobelli et al., 2020), and information technology (e.g., Lu & Ramamurthy, 2011). Despite its pluralism and diverse applications, conceptualizations of agility share a common denominator: agility is considered as the ability to deal with unpredictable environmental changes by responding to market threats and opportunities swiftly (see Pinho et al., 2022). It is empirically manifested in how easily and quickly firms can revisit

Table 1
Competence hierarchy.

Level			Examples
Corporate	Core competencies	… orchestrate competencies that are spread across an organization.	• Knowledge-based core competencies (Gupta et al., 2009) • Project-management core competencies (Loufrani-Fedida & Saglietto, 2016)
Business unit	Competencies	… perform activities that require the involvement of multiple functions within an organization.	• International business competence (De Vasconcellos et al., 2019) • New product development (Murray & Chao, 2005)
Function	Capabilities	… exploit available resources to perform a specific task effectively.	• IT capabilities (Wang et al., 2012) • Marketing capabilities (Morgan et al., 2018)
	Resources	… tangible and intangible assets that an organization has at its disposal.	• Marketing resources (Hooley et al., 2005) • Physical service space (Bitner, 1992)

strategic decisions and resource deployments to achieve a realignment with evolving marketplace conditions (Sambamurthy et al., 2003; Tallon & Pinsonneault, 2011).

Attempting to explain the intricacies of the 'agility–performance' association, prior research has documented inconsistent findings. While most empirical studies point to a positive association between organizational agility and performance (e.g., Liang et al., 2022; Zhang et al., 2022), others report non-significant effects (e.g., Shin & Park, 2021; Ye et al., 2022). The inconsistent findings emphasize a need to study further whether and under which circumstances agility is beneficial for firms. Although extant literature has identified internal (e.g., AlNuaimi et al., 2022; Asseraf et al., 2019; Chuang, 2020) and external (e.g., Akter et al., 2022; Guo et al., 2023; Zhou et al., 2019) boundary conditions of the 'agility–performance' association, potential moderating roles of marketing capabilities that support organizational agility remain unexplored. Table 2 highlights the empirical studies that examine moderators of the 'agility–performance' association in the strategic marketing literature.[2]

As highlighted in Table 2, despite some notable attempts to account for internal moderators such as social media use (Chuang, 2020), product and promotion adaptation (Asseraf et al., 2019), and digital strategy (AlNuaimi et al., 2022), there is a very limited work that adopts an internal, organizational capabilities, perspective. Provided that the RBV suggests that organizational effectiveness depends largely on possessing the 'right' bundle of resources and capabilities (Amit & Schoemaker, 1993), this importantly restricts our understanding of how firms may compete more effectively in fast-paced and turbulent business contexts.

Hence, building on the notion of "fit" (Vorhies & Morgan, 2003), which suggests that superior performance is achieved when there is a match between business-level and marketing (function-based) activities, we argue that organizational agility (i.e., a business-level competence; Javidan, 1998) is more likely to yield high performance outcomes when supplemented with appropriate levels of architectural marketing capabilities. The argument is also supported by research demonstrating that synergistic effects among different organizational capabilities are more conducive to higher firm performance (Ameen, Tarba, Cheah, Xia, & Sharma, 2024; Song et al., 2005).

For the purposes of this study, we concentrate on the moderating role of architectural marketing capabilities (i.e., marketing planning and marketing implementation), since they are inextricably associated with organizational effectiveness in adapting to changing market conditions (Morgan et al., 2003). Even though specialized marketing capabilities (e.g., marketing communications), for example, may also enhance organizational effectiveness, such capabilities typically facilitate routine organizational activities that support existing ways of competing (Winter, 2003). Given that organizational agility is concerned with adapting strategic decisions in response to market threats and opportunities (Tallon & Pinsonneault, 2011), we argue that architectural marketing capabilities play a key role in strengthening the 'agility–performance' association. This is because such capabilities allow firms to design and implement appropriate strategic actions and resource deployments in ways that lead to goal-directed action outcomes and, consequently, desired performance (c.f. Spyropoulou et al., 2018). Fig. 1 illustrates the conceptual framework of the study.

[2] To identify pertinent literature, we utilized the Web of Science database and searched for the term "agility" in the title, abstract, and keywords of articles published in key peer-reviewed marketing journals, including Journal of Marketing, Journal of Marketing Research, Journal of the Academy of Marketing Science, International Journal of Research in Marketing, Journal of Business Research, Industrial Marketing Management, Journal of International Marketing, International Marketing Review, Journal of Service Research, Marketing Letters, European Journal of Marketing, and Marketing Science.

3. Hypotheses development

3.1. Organizational agility and performance

Organizational agility, which equips firms with the skills needed to quickly and easily respond to emerging and unanticipated changes in the external environment (Tallon & Pinsonneault, 2011), is key for achieving better performance than competitors (Cegarra-Navarro et al., 2016; Côrte-Real et al., 2017; Mikalef & Pateli, 2017). As such, prior research indicates that agility enables better innovation outcomes relative to competitors (Guo et al., 2023), stronger customer relationships (Chuang, 2020) and new product advantages such as time-to-market (Asseraf et al., 2019). This is not only because agility facilitates the achievement of fit between strategy and conditions of the external environment (c.f. Hultman et al., 2009), but also because agility allows firms to be quick in adapting to changing market conditions (Zhang et al., 2022). Speed is bound to explain inter-firm performance variations as it enables organizations to gain first-mover advantages and exploit market opportunities before their competitors (e.g., Baum & Wally, 2003; Krush et al., 2016). Conversely, delays in reacting to changes in the external environment can create competitive disadvantages. For instance, inability to quickly meet changes in customer needs can create customer dissatisfaction and weaken customer relationships (Murfield & Esper, 2016). Competitors that adapt more swiftly and effectively may reinforce customer relationships and solidify their market positions, thereby making it challenging for lagging firms to remain competitive (Teece et al., 2016).

Finally, from a real options perspective, agility affords organizations with a wide repertoire of possible responses to market changes (Sambamurthy et al., 2003); when firms have a plethora of strategic options at hand, they are better able to manage market uncertainty (Teece et al., 2016). This is because strategic options constitute flexible decision choices that allow quick modifications depending on emerging contingencies, which endows strategic flexibility (Trigeorgis & Reuer, 2017). A plethora of studies have established the positive effect of strategic flexibility on firm performance (see Herhausen et al., 2021). Therefore, we hypothesize:

H1. Organizational agility is positively associated with firm performance.

3.2. The moderating role of marketing planning capability

Marketing planning capability refers to the ability to set clear marketing goals and design appropriate strategic actions to attain them (Morgan & Slotegraaf, 2012). While some scholars argue that planning holds little importance in dynamic environments as it creates rigidity (e.g., Mintzberg, 1994; Whalen & Holloway, 2012), others argue that planning is valuable under both stable and dynamic environments (Miller & Cardinal, 1994) as it allows firms to proactively deal with environmental unpredictability and complexity (McDonald & Wilson, 2011).

Drawing on the notion that managers strive for decisions that optimize firm performance by collecting and analyzing necessary information and assessing alternatives for planning purposes (Nemkova et al., 2015), we argue that strong marketing planning capability supports organizational agility to yield stronger performance. Conversely, firms with weak marketing planning capability may fail to convert organizational agility into stronger performance. This is because agility is underpinned by an acute outside-in focus, which encourages constant responsiveness to market trends and changes (Day, 1994). Unless firms' strategic responses are guided by clear marketing plans, organizations may end up chaotically reacting to changing marketplace conditions and implementing disjointed and short-term tactical adjustments (Slotegraaf & Dickson, 2004). Notwithstanding, strong marketing planning capability ensures these reactions are purposeful and strategically sound

Table 2
Moderators of the 'agility–performance' association (empirical strategic marketing research).

Author(s)	Research context	Outcome variable(s)	Moderator(s)	Key findings
Guo et al. (2023)	Digital new ventures / Multiple industries / China	Innovation performance	Market turbulence	The positive impact of entrepreneurial agility on innovation performance is strengthened by market turbulence, but market turbulence does not significantly moderate the positive link between adaptive agility and innovation performance.
Akter et al. (2022)	B2B firms / Multiple industries / Australia	Marketing effectiveness	Market turbulence	The positive effect of marketing agility on marketing effectiveness is weaker at high levels of market turbulence, but stronger when there is low market turbulence.
Zhou et al. (2019)	Industrial firms / Food-processing industry / China	Financial performance	Market turbulence	Marketing agility exerts a positive impact on financial performance both directly and indirectly (via innovation capability). The direct effect is stronger under high market turbulence, but the indirect effect is only significant under low and moderate levels of market turbulence.
Chuang (2020)	B2B firms / Multiple industries / Taiwan	Strength of customer-firm relationships	Levels of social media use	Social media agility is positively related to customer relationship strength, but the hypothesized moderating effect of social media use is not significant.
AlNuaimi et al. (2022)	Public sector organizations / Abu Dhabi	Digital transformation	Digital strategy	Organizational agility facilitates digital transformation, but the hypothesized moderating impact of digital strategy is not significant.
Cheng et al. (2020)	Internationalizing firms / Industrial manufacturing and IT industry / China	Speed of internationalization	Cultural distance	Cultural distance weakens the positive impact of market capitalizing and operational adjustment agility on internationalization speed.
Asseraf et al. (2019)	Exporting firms / Multiple industries / Israel	International market performance	Product adaptation and promotion adaptation	International marketing agility is positively associated with international market performance directly and indirectly (via new product advantage). Promotion adaptation strengthens the relationship between agility and new product advantage, while product adaptation does not exert significant moderating effects.
Nemkova (2017)	Born global firms / Multiple industries / UK	International market performance	Market knowledge, international experience, learning orientation, and ambiguity tolerance	Agility is positively associated with international market performance. Agility is more likely to result in positive performance when key decision-makers have good market knowledge, extensive international experience, and high levels of learning orientation and ambiguity tolerance.

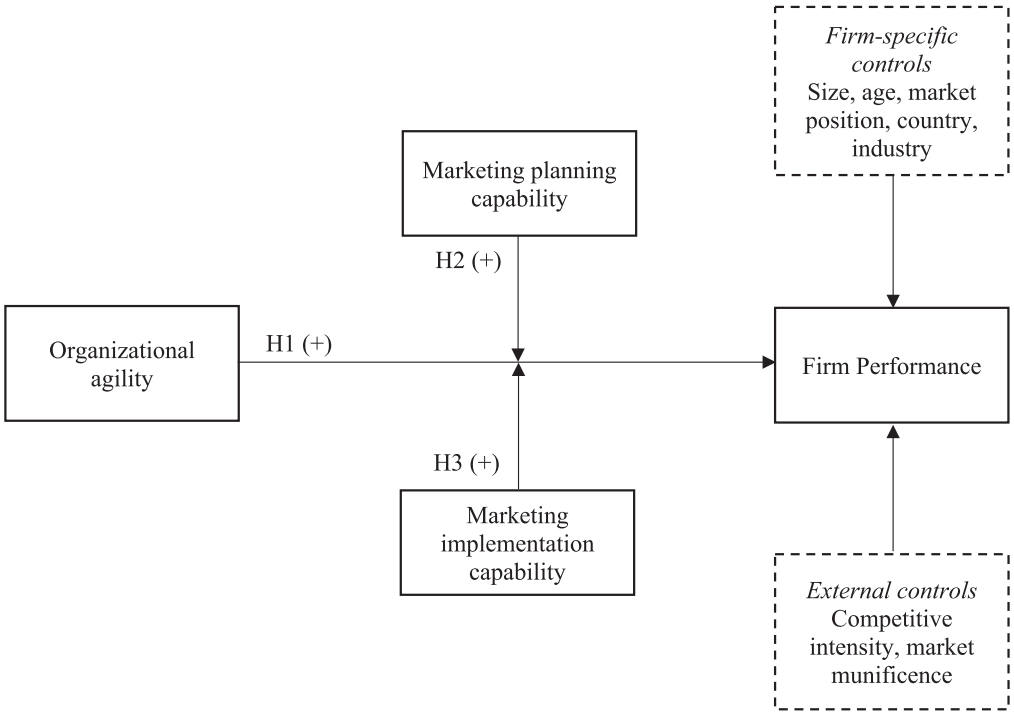

Fig. 1. Conceptual framework.

(Nemkova et al., 2015). While agility helps a firm react to market shifts in a timely manner, marketing planning capability complements agility by ensuring that agile responses are not reactive or haphazard but are instead part of a larger strategic vision, thereby leading to stronger firm performance. This argument is supported by prior research suggesting that organizations are more likely to achieve superior performance when strategic actions are not only matched with marketplace conditions but also with long-term strategic goals and priorities (Morgan

et al., 2012; Spyropoulou et al., 2018). Thus, we hypothesize:

H2. Marketing planning capability strengthens the positive impact of organizational agility on firm performance.

3.3. The moderating role of marketing implementation capability

Marketing implementation capability reflects a firm's ability to translate intended strategic marketing decisions into goal-directed realized actions by deploying resources (e.g., people, financial), organizing effectively (e.g., developing pertinent organizational structures) and monitoring internal and/or marketplace performance outcomes to ensure effective strategy implementation (Morgan & Slotegraaf, 2012). Hence, although agility places emphasis on speedily responding to market threats and opportunities, firms that are equipped with strong implementation capability can execute strategic responses quickly, without compromising effectiveness. Empirical evidence suggests that strategic responses are more likely to lead to strong performance when organizations have the right implementation processes in place (Abernethy et al., 2021; Chari et al., 2017). We therefore argue that strong marketing implementation capability supports organizational agility to yield stronger performance. Conversely, firms with weak marketing implementation capability may fail to convert organizational agility into stronger performance.

The argument is grounded on the intended versus realized strategy paradigm (Mintzberg & Waters, 1985) which posits that, although strategic planning provides direction and guides organizational efforts towards exercising agility in line with a firm's goals, well-conceived strategic initiatives are more likely to yield superior returns when implemented effectively (Mintzberg, 1994; Noble, 1999). Given that organizations encounter a variety of challenges whilst executing agility (Kalaignanam et al., 2021), marketing implementation capability is bound to strengthen the impact of agility on performance by ensuring that rapid strategic reactions are well-coordinated, executed successfully and with minimal resource wastage. In fact, prior research demonstrates that marketing implementation capabilities are key determinants of a firm's "ability to adapt to the requirements of its target market in ways that accomplish its strategic goals" (Morgan et al., 2003, p. 293), while failure to effectively implement initiated strategic changes can undermine firm performance (see Herrmann & Nadkarni, 2014). In this vein, scholarly work has indicated that strategic actions are more likely to yield stronger performance when organizations can follow through with appropriate tactical actions and resource deployments (Morgan et al., 2012). Hence, we hypothesize:

H3. Marketing implementation capability strengthens the positive impact of organizational agility on firm performance.

4. Methodology

4.1. Research setting

The current study focuses on B2B organizations as the research context. This context has received scant empirical attention; as shown in Table 2, only Akter et al. (2022), Chuang (2020), and Zhou et al. (2019) investigate the complexity of the 'agility–performance' association within a B2B context. The dearth of empirical research means that most prior studies fail to account for the nuances of the B2B sector, and under which circumstances B2B firms benefit from adapting quickly to changing market conditions (Murfield & Esper, 2016) is still largely unknown. Prior research suggests B2B markets have specific characteristics (e.g., size of customer segments, complexity of inter-firm relationships, purchasing process) that can determine whether organizations benefit from certain capabilities and competencies (Homburg & Wielgos, 2022; Wielgos et al., 2021). Lack of empirical research is surprising, given that agility may be of particular importance for B2B firms since B2B markets are characterized by small customer segments (Lilien, 2016); in such conditions, failure to meet changing customer needs or react to competitors' actions can considerably undermine B2B firms' performance.

4.2. Sample and data collection

Data was collected from the UK and US. The B2B market accounts for approximately 50 % of the UK's GDP (B2B Marketing, 2024) and for over 50 % of the US's GDP (U.S. Bureau of Economic Analysis, 2024). The fact that nearly 40 % of all businesses in the UK and 70 % of all businesses in the US are primarily B2B (Weinberg & Lombardo, 2022) highlights even further the significance of the B2B sector in these two countries. Lastly, the UK and the US are characterized by similar institutional contexts (Hofstede Insights, 2023). Collecting data from both countries enhances generalizability of the findings.

Data was collected using a key-informant survey design during February–April 2023. We targeted top-level managers who needed to have at least ten years of overall working experience and at least five years of tenure in their current firm. Senior managers with these characteristics are suitable informants to report on issues pertaining to their firms' capabilities and performance-related issues (e.g., Vorhies & Morgan, 2005), thereby reducing the effect of key informant bias (Homburg, Klarmann, et al., 2012). To enhance the generalizability of findings and reduce the impact of sampling bias, we adopted a random multi-industry sampling frame. The level of analysis was the strategic business unit (SBU), as organizational agility is an SBU-level competence (c.f. Javidan, 1998) and marketing strategies are implemented at the SBU-level (Varadarajan & Clark, 1994). If no different SBUs exist, the focus was the entire firm (e.g., Homburg, Artz, & Wieseke, 2012).

We partnered with Qualtrics, a leading market research company (c.f. Malek et al., 2022) and gained access to 250 key informants so that we can maintain a healthy (> five-to-one; Bentler & Chou, 1987) ratio of sample size to estimated parameters in our analysis. We received 230 complete responses. Data quality was assessed by employing a post-hoc check for informant competency. Specifically, the final part of the survey included three questions pertaining to our respondents' involvement in, responsibility for, and knowledge of marketing planning and implementation issues in their organization as well as three questions regarding their understanding of the survey questions and confidence in their responses (Morgan et al., 2004).[3] Seven-point Likert scales ranging from "1 = very low" to "7 = very high" were used for each question. Six cases exhibited a score of four or below in one or more of these questions, leading us to exclude them from the analysis as they do not meet required thresholds for key informant competency (c.f. Morgan et al., 2012). The mean score for informant quality in the final sample (N = 224) was 6.44, indicating the suitability of our key informants to report on the issues under investigation.

The descriptive characteristics of our sample are presented in Table 3. As shown in Table 3, the key informants hold high hierarchical positions in their organizations with 34.8 % and 20.1 % of the respondents being CEOs and CMOs, respectively. The sampled firms are diverse in terms of size (ranging from less than 250 to more than 1000 full-time employees) and age (ranging from 5 years to more than 40

[3] After respondents completed the survey, they were asked to assess six statements: (1) "my involvement in marketing strategy planning and implementation in my business unit is…"; (2) "my responsibility for marketing strategy planning and implementation in my business unit is…"; (3) "my knowledge about marketing strategy planning and implementation in my business unit is…"; (4) "my knowledge about the questions addressed in the survey is…"; (5) "my confidence in the responses I provided in the survey is…"; and (6) "the degree to which I understood the questions/statements in the survey is…". Answers to these questions serve as a proxy to respondent suitability to participate in the study and ensure that participants are in fact key informants of their organizations (Kumar et al., 1993).

Table 3
Sample descriptives.

Respondent characteristics			Firm characteristics		
Age (years)	30–39	87 (38.8 %)	Firm type	Domestic	113 (50.4 %)
	40–49	95 (42.4 %)		Multinational	111 (49.6 %)
	>50	42 (18.8 %)	Firm age (years)	5–10	28 (12.5 %)
Gender	Female	55 (24.6 %)		11–20	95 (42.4 %)
	Male	169 (75.4 %)		21–40	75 (33.5 %)
Education	Doctoral degree	28 (12.5 %)		>40	26 (11.6 %)
	MBA	54 (24.1 %)	Firm size (number of employees)	<250	69 (30.8 %)
	Other master's degree	45 (20.1 %)		251–500	38 (17 %)
	Bachelor's degree	65 (29 %)		501–1000	56 (25 %)
	College	22 (9.8 %)		>1000	61 (27.2 %)
	Diploma	6 (2.7 %)	Country	U.K.	104 (46.4 %)
	High school	4 (1.8 %)		U.S.	120 (53.6 %)
Job position	Chief Executive Officer	78 (34.8 %)	Industry	IT & electronics	98 (43.8 %)
	Chief Marketing Officer	45 (20.1 %)		Construction	32 (14.3 %)
	Chief Information Officer	18 (8 %)		Financial services	24 (10.7 %)
	Managing director	18 (8 %)		Business services & consulting	24 (10.7 %)
	IT director / manager	15 (6.7 %)		Industrial equipment & machinery	22 (9.8 %)
	Vice president	9 (4 %)			
	General manager	9 (4 %)		Other manufacturing	10 (4.5 %)
	Chief Operations Officer	7 (3.1 %)		Logistics & transport	6 (2.7 %)
	Chief Financial Officer	6 (2.7 %)		Engineering	5 (2.2 %)
	Marketing director	4 (1.8 %)		Energy	3 (1.3 %)
	Chief Strategy Officer	4 (1.8 %)	Industry type	B2B services	128 (57.1 %)
	Other senior manager	11 (4.9 %)		B2B products	96 (42.9 %)
Professional experience (years)	10–15	73 (32.6 %)			
	16–20	57 (25.5 %)			
	21–30	63 (28.1 %)			
	>30	31 (13.8 %)			
Organizational tenure (years)	5–10	123 (54.9 %)			
	11–20	88 (39.3 %)			
	>20	13 (5.8 %)			

years). In addition, 57.1 % of the sampled firms operate in services and 42.9 % in manufacturing sectors, 46.4 % are based in the UK and 53.6 % in the US, and lastly, 50.4 % have a domestic scope and 49.6 % are multinational corporations.

4.3. Measurement proxies and measure validation

Established measurement scales (see Table 4) were used to operationalize the study constructs. *Organizational agility* was assessed based on eight items that capture how quickly and easily a firm can undertake such actions as react to changes in market demand and customer needs, counter changes in competitors' prices and the introduction of new products/services by competitors, enter new markets, change its product/service portfolio, adopt new technologies, and switch suppliers (Tallon & Pinsonneault, 2011).[4]

Marketing planning capability was measured based on four items tapping into a firm's ability to conceive appropriate marketing plans, set clear marketing goals, formulate creative marketing strategies, and be comprehensive in the planning process (Vorhies & Morgan, 2005).

Marketing implementation capability was operationalized by five items that assess a firm's ability to deploy marketing resources, organize effectively, translate intended marketing plans into action, execute marketing strategies quickly and monitor marketing performance (Vorhies & Morgan, 2005).

[4] We selected this measure of organizational agility as it is more holistic compared to other agility measures that focus only on firms' ability to manage volatile market demand (e.g., Akter et al., 2022). The holistic measure was deemed important, given that "[i]n addition to managing demand shocks, agile organizations must manage supply-side uncertainty and adjust strategy as necessary and desirable" (Teece et al., 2016, p. 17). This particular measure also captures business-wide processes (e.g., adoption of new technologies), which allows us to fulfil our research objective to demonstrate how marketing-specific capabilities contribute to the effectiveness of business-level competencies.

Finally, *firm performance* was gauged based on key informant's perceptions about their organization's performance, compared to major competitors, across four key market-related metrics, including market share growth, growth in sales revenue, new customer acquisition, and increased sales to existing customers (Morgan et al., 2012). We focus on market-related metrics since strategy changes induced by organizational agility are more likely to have direct implications to market performance (c.f. Chari et al., 2014), provided that agility is typically exercised to adapt to unfolding market conditions and consists of customer-facing and competitor-related actions.

Drawing on the seminal work of Morgan (2012), which suggests that firm performance largely depends on competitors' strategies and actions, we control for *competitive intensity* (scale adopted from Jaworski & Kohli, 1993). Although a firm may exercise agility to maintain and/or enhance its competitive standing against a backdrop of changing market conditions (Kalaignanam et al., 2021), "competitors operating in the same marketplace are doing likewise in an effort to build and sustain their own positional advantages" (Morgan, 2012, p. 112). Moreover, we control for *market munificence* (scale adopted from Kabadayi et al., 2007), to ensure that variance in firm performance is not due to the availability of the resources required to support firm growth.

In line with prior literature examining the impact of organizational capabilities on firm performance (e.g., Homburg & Wielgos, 2022), controls for firm-specific characteristics including firm size, age, market position, industry type and country are also included in our study. We control for *firm size*, measured as the natural logarithm of the number of full-time employees, and *firm age*, captured by the number of years a firm has been operating for, given that larger and older firms may have more slack resources (Vorhies et al., 2011). *Market position*, a binary variable representing 1 = market leaders and 0 = challengers or followers, is included as control variable as market leaders face more performance challenges when customer preferences and market

Table 4
Measures and CFA results.

Items	Standardized Loadings
Organizational agility [i] (α = 0.89; CR = 0.89)	
Please rate your firm's ability to perform the following activities quickly and easily:	
Responding to changes in aggregate consumer demand.	0.69
Customizing a product or service to suit an individual customer.	0.66
Reacting to new product or service launches by competitors.	0.68
Introducing new pricing schedules in response to changes in competitors' prices.	0.69
Expanding into new regional or international markets.	0.76
Changing (i.e., expand or reduce) the variety of products / services available for sale.	0.75
Adopting new technologies to produce better, faster and cheaper products and services.	0.70
Switching suppliers to avail of lower costs, better quality or improved delivery times.	0.71
Marketing planning capability [ii] (α = 0.87; CR = 0.87)	
Please rate your firm's capabilities, relative to your major competitors, in the following areas:	
Marketing planning skills	0.79
Setting clear marketing goals	0.79
Formulating creative marketing strategies	0.82
Thoroughness of marketing planning processes	0.77
Marketing implementation capability [ii] (α = 0.87; CR = 0.88)	
Please rate your firm's capabilities, relative to your major competitors, in the following areas:	
Allocating marketing resources effectively	0.73
Organizing to deliver marketing programs effectively	0.77
Translating marketing strategies into action	0.74
Executing marketing strategies quickly	0.79
Monitoring marketing performance	0.79
Firm performance [ii] (α = 0.89; CR = 0.90; AVE = 0.68)	
Please rate the performance of your firm over the past year relative to your major competitors:	
Market share growth relative to competitors	0.84
Growth in sales revenue	0.87
Acquiring new customers	0.80
Increasing sales to existing customers	0.79
Competitive intensity [iii] (α = 0.91; CR = 0.91)	
Please indicate the extent to which you agree or disagree with the following statements concerning the competitive environment in your primary market:	
Competition in our industry is cutthroat.	0.78
There are many "promotion wars" in our industry.	0.78
Anything that one competitor can offer, others can match readily.	0.76
Price competition is a hallmark of our industry.	0.80
One hears of a new competitive move almost every day.	0.84
Our competitors are relatively weak. (R)	0.79
Market munificence [iii] (α = 0.89; CR = 0.89)	
Please indicate the extent to which you agree or disagree with the following statements concerning your primary market:	
In our market…	
… the demand for our products/services is strong and growing.	0.75
... there is a potential for high sales growth.	0.72
... there is an abundance of resources (i.e., financial, supplies, human resources, etc.) to companies to support growth potential.	0.87
... there is no shortage of the necessary resources.	0.90

Notes: $\chi^2 = 580.67$; df = 419; χ^2/df = 1.39; CFI = 0.96; TLI = 0.95; RMSEA = 0.04; SRMR = 0.05; all standardized loadings are significant ($p < .001$); α = Cronbach's alpha, CR = composite reliability.

[i] Seven-point Likert type scale ranging from "1 = extremely poor" to "7 = excellent".

[ii] Seven-point Likert type scale ranging from "-3 = much worse than competitors" to "+3 = much better than competitors".

[iii] Seven-point Likert type scale ranging from "1 = strongly disagree" to "7 = strongly agree".

conditions change (Frösén et al., 2016).[5] We control for *industry type*, a binary variable representing the classification of sample firms into B2B services (=0) and B2B products (=1) sectors, in order to account for potential differences between product- and service-oriented industries (Homburg & Wielgos, 2022). Finally, a control variable for *country*, anchored in 0 for UK-based and 1 for US-based organizations, is included in the study to rule out the possibility that performance differences are explained by the size of a country's market (Cano et al., 2004).

We performed confirmatory factor analysis to assess construct validity. The resulting model (see Table 4) fits the data reasonably well ($\chi^2 = 580.67$; df = 419; χ^2/df = 1.39; confirmatory fit index [CFI] = 0.96; Tucker–Lewis index [TLI] = 0.95; root mean square error of approximation [RMSEA] = 0.04; standardized root mean residual [SRMR] = 0.05; Hu & Bentler, 1999). In support of convergent validity, all indicators exhibit large (> 0.60) and significant standardized factor loadings, while Cronbach's alphas (> 0.80), AVE (> 0.50) and CR (> 0.80) values meet required thresholds (Bagozzi & Yi, 2012; Hair et al., 1998). Table 5 presents summary statistics and correlation coefficients.

To assess discriminant validity, we employed three tests. First, we inspected AVE values and correlations among the study constructs; as shown in Table 5, the square root of AVE is greater than correlations among the study constructs across all cases (Fornell & Larcker, 1981). Second, we conducted χ^2 difference tests across two measurement models for each possible pair of constructs; in the baseline model the covariance between constructs was freely estimated, while in the other model, the covariance coefficient was constrained to one (Bagozzi et al., 1991). Changes in χ^2 were significant across all pairs of comparison. Third, we employed the heterotrait-monotrait (HTMT) criterion (Henseler et al., 2015). As shown in Appendix, HTMT values range from 0.10 to 0.68, well below the recommended threshold of 0.90. Overall, the above results provide evidence of good discriminant validity.

4.4. Controlling for common method bias (CMB)

Considering the potential existence of CMB in data that are collected at one point in time and from a single key informant, we followed established ex-ante procedural remedies and ex-post statistical tests to control for CMB (Podsakoff et al., 2003). Ex-ante, we pretested the questionnaire, guaranteed full anonymity and confidentiality to key informants, carefully selected measurement proxies to ensure item clarity, and separated and mixed items into appropriate sections to ensure that participants cannot make assumptions about the hypothesized relationships.

Ex-post, we employed three statistical tests widely used in business research to assess the presence of CMB in our study (Fuller et al., 2016). First, we applied Harman's single-factor test by subjecting all indicators of the study constructs into unrotated EFA (Podsakoff & Organ, 1986). The EFA produced 6 factors with eigenvalues greater than 1, and no more than 26.82 % of the variance is accounted for by a single factor. Second, we applied the unmeasured latent method construct test in CFA, by creating an unobserved latent construct that is estimated by all indicators of the study constructs (Podsakoff et al., 2003). The resulting model fits the data poorly ($\chi^2 = 2829.03$; df = 434; χ^2/df = 6.52; CFI = 0.38; TLI = 0.34; RMSEA = 0.16; SRMR = 0.17). The first two tests suggest that variance in our measures is not explained by a bias factor.

[5] To measure market position, key informants were asked to indicate whether they represented firms that are market leaders (largest market share), challengers (second or third largest market share), or followers (not in the top three in terms of market share) in their primary market (Frösén et al., 2016).

Table 5
Correlation matrix and summary statistics.

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
1. Org. agility	***0.71***											
2. Mkt. planning	0.41**	***0.79***										
3. Mkt. implementation	0.56**	0.59**	***0.76***									
4. Firm performance	0.14*	0.12	0.26**	***0.82***								
5. Competitive intensity	0.14*	0.09	0.16*	0.21**	***0.79***							
6. Market munificence	0.21**	0.09	0.20**	0.31**	0.40**	***0.81***						
7. Firm size	0.08	0.05	0.03	0.10	0.00	0.08	–					
8. Firm age	−0.04	0.03	0.11	0.03	−0.03	0.05	0.09	–				
9. Market position	0.00	0.02	0.00	0.05	−0.06	−0.03	0.34**	−0.10	–			
10. Industry type	0.07	0.01	−0.12	−0.15*	−0.06	−0.12	−0.04	0.05	−0.19**	–		
11. Country	−0.02	0.03	0.01	−0.03	0.07	−0.01	0.18**	−0.21**	0.33**	−0.10	–	
12. Marker variable[a]	−0.05	0.01	−0.01	−0.06	−0.03	−0.08	0.03	0.02	−0.04	−0.02	−0.13	***0.87***
Mean	5.71	1.79	1.87	1.82	5.62	5.70	6.38	27.82	0.51	0.57	0.54	2.61
Standard Deviation	0.79	0.91	0.89	0.96	0.96	0.95	1.53	28.14	0.50	0.50	0.50	1.20

Notes: N = 224; square root of AVEs are presented in the diagonal (bold italicized font).
[a] Inter-departmental conflict (Jaworski & Kohli, 1993).
* $p < .05$.
** $p < .01$.

Third, we applied the correlational marker variable technique (Lindell & Whitney, 2001). As a marker variable, we used inter-departmental conflict (Jaworski & Kohli, 1993) because it is not conceptually associated with the study constructs (Simmering et al., 2015). As shown in Table 5, the correlation between the marker variable and our dependent variable is not significant ($r = -0.06$; $p > .10$), while non-significant correlations are also observed between the marker variable and the remainder constructs. This suggests that the relationships between the studied constructs are not significantly affected by CMB effects. Overall, CMB does not seem to pose a threat to the study findings.

Table 6
Hypothesis testing results.

	Step 1		Step 2		Step 3		Step 4	
	B	t-value	B	t-value	B	t-value	B	t-value
Control variables								
Firm size	0.07	1.02	0.06	0.89	0.05	0.80	0.07	0.75
Firm age	0.01	0.16	0.02	0.31	−0.01	−0.16	0.00	−0.31
Market position	0.04	0.53	0.04	0.52	0.08	1.09	0.15	1.15
Industry type	0.12†	1.81	0.13*	1.98	0.10	1.55	0.17	1.45
Country	−0.06	−0.88	−0.06	−0.87	−0.07	−1.11	−0.12	−0.93
Competitive intensity	0.11	1.61	0.11	1.61	0.09	1.37	0.07	1.01
Market munificence	0.24***	3.46	0.23**	3.17	0.22**	3.20	0.23**	3.28
Main effects								
Organizational agility			0.13†	1.66	0.08	1.01	0.01	0.06
Moderators								
Marketing planning capability					−0.04	−0.46	−0.10	−0.78
Marketing implementation capability					0.31***	3.45	0.37*	2.59
Interaction terms								
Agility * Planning					−0.20*	−2.36	−0.25*	−2.17
Agility * Implementation					0.33***	3.74	0.39***	3.60
Endogeneity correction								
$GC_{agility}$							0.02	0.17
$GC_{planning}$							0.04	0.54
$GC_{implementation}$							−0.05	−0.79
Model fit								
F-value	3.91***		3.80***		4.95***		3.91***	
R^2	0.13		0.14		0.24		0.22	
Adjusted R^2	0.09		0.10		0.19		0.16	

GC = Gaussian copula.
† $p < .10$.
* $p < .05$.
** $p < .01$.
*** $p < .001$.

5. Analysis and results

5.1. Hypotheses testing

Hierarchical regression analysis using ordinary least squares (OLS) was employed to test our hypotheses (see Table 6). After entering the control variables (step 1), the inclusion of organizational agility only marginally enhances the explanatory power of the model ($\Delta R^2 = 0.01$; $\Delta R^2_{adj.} = 0.01$; Step 2). However, explanatory power increases significantly when entering the moderating variables (i.e., marketing planning and implementation capabilities) and related interaction terms ($\Delta R^2 = 0.10$; $\Delta R^2_{adj.} = 0.09$; Step 3). Potential endogeneity was addressed in Step 4 by employing the Gaussian copula method (Becker et al., 2022).[6] Multicollinearity does not affect our findings since variance inflation factors are within acceptable levels (i.e., ranging from 1.05 to 2.24) (Hair et al., 1998).

As shown in Table 6 (Step 1), industry type ($\beta = 0.12$; $p < .10$) and market munificence ($\beta = 0.24$; $p < .001$) exert a positive and significant influence on firm performance. This suggests that firms operating in product-oriented industries are more likely to experience positive performance. A plausible explanation is grounded in the fact that firms in the services sector face greater performance challenges due to the intangibility, performance variability, and perishability of their value offerings (Zeithaml et al., 1985). In addition, as expected, market munificence drives greater performance, given that firms operating in munificent markets have an abundance of resources to support their strategic actions (Kabadayi et al., 2007).

As shown in Table 6 (Step 2), the effect of organizational agility on performance is positive but only marginally significant ($\beta = 0.13$; $p < .10$), thereby providing partial support to H1. In addition, the interaction term between organizational agility and marketing planning capability is negative ($\beta = -0.20$; $p < .05$), whilst the interaction term between organizational agility and marketing implementation capability is positive ($\beta = 0.33$; $p < .001$) (see step 3). The moderating effects remain robust after accounting for potential endogeneity (see step 4), since the interaction term between organizational agility and marketing planning capability remains negative and significant ($\beta = -0.25$; $p < .05$), and the interaction term between organizational agility and marketing implementation capability remains positive and significant ($\beta = 0.39$; $p < .001$). Hence, H2 is rejected and H3 is supported. Figs. 2 and 3 illustrate the moderating impacts of marketing planning and implementation capabilities, respectively.

5.2. The conditional effect of organizational agility on performance

In order to understand the moderating effects better, Table 7 specifies the significance of the conditional effects of organizational agility on firm performance, while controlling for the effects of firm-specific (size, age, market position, country, and industry) and external (competitive intensity, market munificence) factors. The results suggest that organizational agility has a positive relationship with performance at low levels of marketing planning capability ($\beta = 0.33$; $p < .05$) and at high levels of marketing implementation capability ($\beta = 0.35$; $p < .05$). However, agility exerts a negative impact on firm performance at low levels of marketing implementation capability ($\beta = -0.28$; $p < .05$) only.

Probing further into the performance effect of organizational agility across the range of values of marketing planning and implementation capabilities, we employed floodlight analysis (Spiller et al., 2013). Figs. 4a and 4b depict the Johnson-Neyman points for marketing planning and implementation capability, respectively.

The results indicate that the positive effect of organizational agility on performance diminishes with increasing marketing planning capability, but only up to a certain level (Johnson-Neyman point = 1.67; see Fig. 4a), above which agility ceases to have a statistically significant relationship with performance. In addition, the negative impact of agility on performance attenuates with increasing marketing implementation capability, and eventually becomes positive and statistically significant above a certain level of implementation capability (Johnson-Neyman point = 2.45; see Fig. 4b).

6. Discussion

6.1. Theoretical implications

Our study contributes to the strategic marketing literature in three main ways. First, we shed new light into the performance consequences of organizational agility. In line with the majority of empirical studies (e.g., Akter et al., 2022; Zhou et al., 2019), we find that the relationship between organizational agility and firm performance is positive. However, the relationship is only marginally positive. This can be attributed to the fact that agility is costly to maintain since its execution requires organizations to rapidly revisit strategic decisions and resource deployments to adapt to unfolding marketplace conditions (Teece et al., 2016). Although agility and resultant strategic change are essential for breaking organizational inertia and adapting to market change, they can undermine performance by disrupting essential revenue-generating routines and creating information overload (Klarner & Raisch, 2013; Naranjo-Gil et al., 2008). Moreover, execution of agility requires high speed in strategic decision-making and implementation. Even though high speed can enhance performance as it enables organizations to gain first-mover advantages and exploit market opportunities before their competitors (Baum & Wally, 2003; Krush et al., 2016), speed can also undermine performance as it compromises decision-making effectiveness and creates unnecessary time pressure (Argouslidis et al., 2014), thereby creating a “speed trap” (Perlow et al., 2002).

Second, we provide novel insights about the conditions under which organizational agility enhances firm performance. Complementing prior studies that focus on external moderators of the ‘agility-performance’ association (e.g., Guo et al., 2023; Khan, 2020), we examine boundary conditions pertaining to organizational capabilities – marketing planning and implementation capabilities – that are internal to a firm and thus controllable by managers. In doing so, the current study contributes to a better understanding of RBV’s central tenet that firm performance depends on possessing the ‘right’ resources and capabilities (Amit & Schoemaker, 1993). Drawing on Javidan’s (1998) competence hierarchy, we empirically demonstrate the intertwined nature of business-level competencies (i.e., organizational agility) and function-based capabilities (i.e., architectural marketing capabilities) in explaining firm performance. We find evidence for capabilities both facilitating (i.e., marketing implementation capability) and hindering (i.e., marketing planning capability) the effective utilization of competencies such as organizational agility.

More specifically, the current study’s findings suggest that marketing implementation capability, and its interaction with agility, are the only factors positively affecting firm performance. A plausible explanation is grounded on the intended versus realized strategy paradigm (Mintzberg & Waters, 1985), which suggests that planning is concerned with intentions, and it is only realized actions (what an organization ends up doing) that can adequately explain the achievement (or not) of desired performance (Mintzberg, 1994; Noble, 1999). In this vein, prior research has shown that high-performing organizations are not distinguished by well-designed strategies, but by their ability to follow-through and translate intended decisions into realized actions (Morgan et al., 2003). Our findings enrich this body of scholarly work, by demonstrating that

[6] Applying the Gaussian copula approach requires that potentially endogenous variables are not normally distributed (Hult et al., 2018). Normality tests suggest that organizational agility (K-S = 0.079, $p < .01$; W = 0.955, $p < .001$), marketing planning capability (K-S = 0.173, $p < .001$; W = 0.927, $p < .001$), and marketing implementation capability (K-S = 0.126, $p < .001$; W = 0.927, $p < .001$) are not normally distributed.

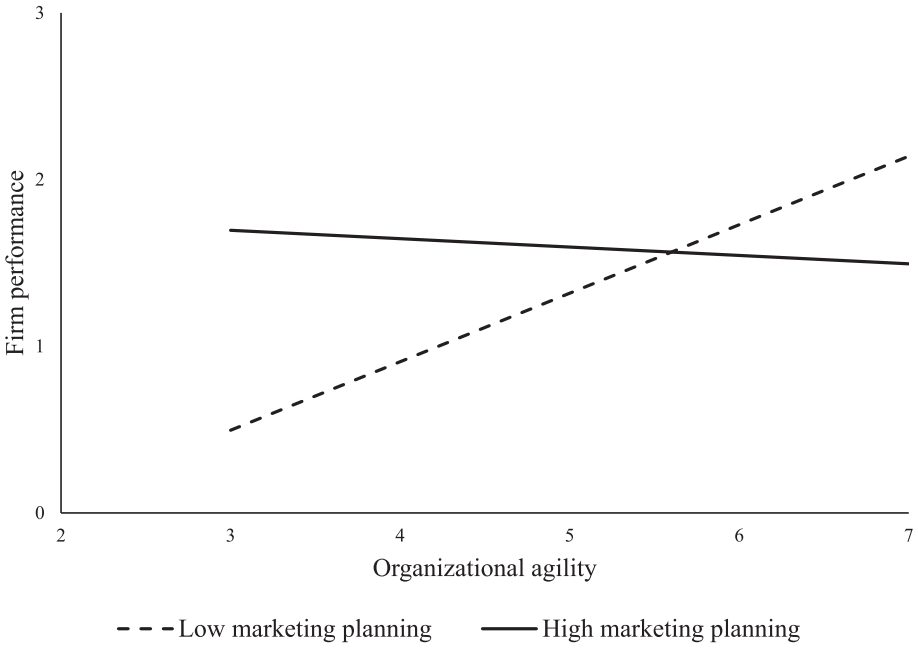

Fig. 2. The moderating impact of marketing planning capability.

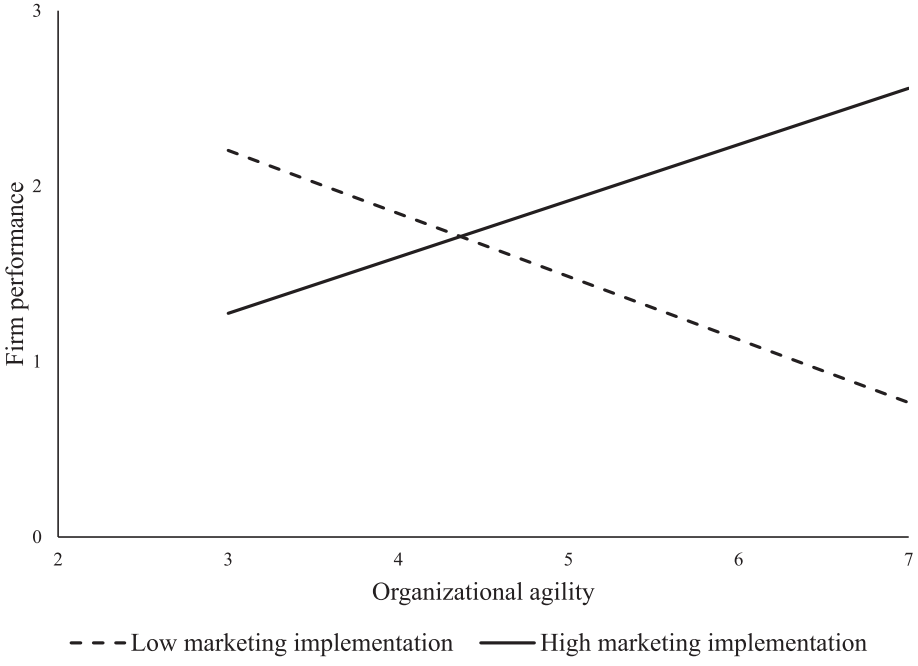

Fig. 3. The moderating impact of marketing implementation capability.

Table 7
The conditional impact of organizational agility on firm performance.

	Marketing planning capability			Marketing implementation capability		
	-1SD	M	+1SD	-1SD	M	+1SD
B $_{agility}$	0.33*	0.11	−0.12	−0.28*	0.04	0.35*
t-value	2.17	1.04	−0.96	−2.52	0.37	2.47

Notes: $N = 224$; dependent variable = firm performance; M = mean value; -1SD = one standard deviation below the mean value; +1SD = one standard deviation above the mean value.

* $p < .05$.

organizational agility boosts performance, only when firms score better than their competitors on marketing implementation capability (see Fig. 4b). We find that organizational agility can even become harmful when firms score below average in marketing implementation capability. This is because agility precipitates changes that relate to a firm's customer- and competitor-related activities, such as changes in products/services, changes in pricing, and expanding into new markets (Tallon & Pinsonneault, 2011), and as such, if firms have low ability to implement marketing, they will not be able to support these strategic changes with appropriate marketing activities. Failure to effectively implement strategic changes at the functional level can result in inferior performance (see Abernethy et al., 2021; Herrmann & Nadkarni, 2014).

Third, our study augments the current understanding of the

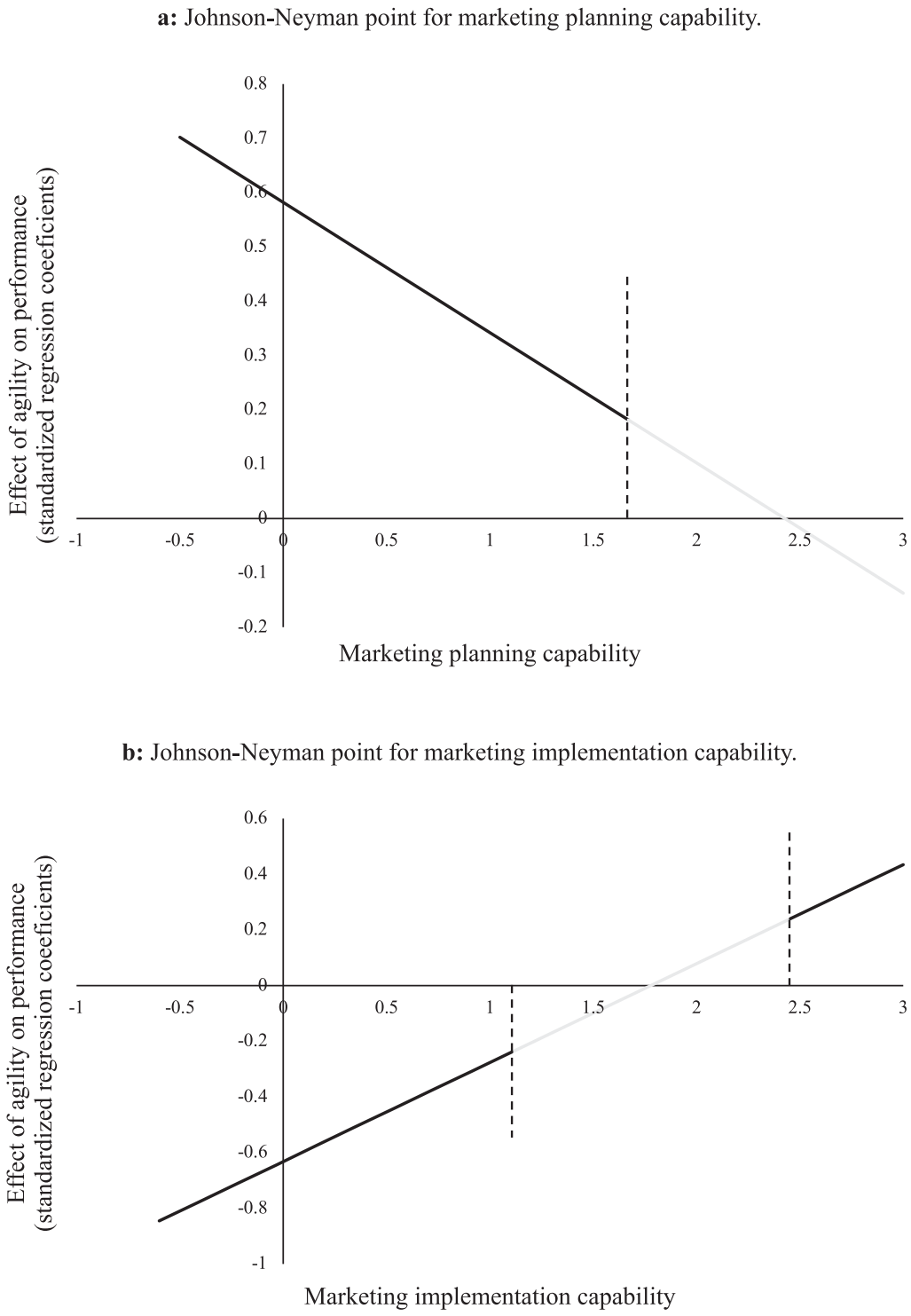

Fig. 4. a: Johnson-Neyman point for marketing planning capability.
b: Johnson-Neyman point for marketing implementation capability.
Notes for Figs. 4a & 4b: black line indicates significant effects; grey line indicates non-significant effects; values of marketing planning and implementation capabilities range from −3 (much worse than competitors) to +3 (much better than competitors).

marketing planning paradox (c.f. Slotegraaf & Dickson, 2004). We do this by demonstrating that marketing planning capability suppresses the effectiveness of organizational agility; organizational agility is positively associated with firm performance only at low levels of marketing planning capability (i.e., when firms score below average in planning compared to their competitors; see Fig. 4a). A plausible explanation for this finding is that firms with strong marketing planning capabilities may blindly emphasize a particular strategic direction and exhibit limited openness to change their strategies in light of new information (Slotegraaf & Dickson, 2004). Planning goes hand in hand with the normative approach to decision making, which views managers as rational decision-makers that make optimal decisions (Slater et al., 2006). However, this approach has been criticized for its failure to consider uncertainty in the environment and respond to this uncertainty

in a timely manner (Nemkova et al., 2015). Blindly adhering to planned decisions has in fact been found to be counter-productive for firm performance in dynamic environments (Chari et al., 2014; Covin et al., 1997). Hence, even though managers strive to be diligent when planning to avoid precipitating rigidity (Slevin & Covin, 1997), strong/comprehensive planning can diminish the benefits of organizational agility.

6.2. Managerial implications

While prior studies emphasize the key role of organizational agility for achieving marketing excellence (Homburg et al., 2020) and competing effectively in fast-paced and turbulent business environments (Ameen & Tarba, 2022), our findings indicate that high levels of agility are associated with modest performance gains. On the one hand, as managerial literature indicates, this may be because many organizations struggle with exercising agility (Ahlbäck et al., 2017). On the other hand, and perhaps more importantly, the findings caution B2B firms' managers that agility alone may not suffice for strengthening firm performance. Rather, to fully reap the benefits of agility, firms need to possess 'right' types and levels of architectural marketing capabilities.

First, our findings highlight that organizational agility results in stronger performance when firms possess low (versus high) levels of marketing planning capability. Hence, firms should avoid overly comprehensive plans and planning processes and rigidity in decision-making, as these appear to cancel out the potential benefits of organizational agility. This is because, in fast-moving business environments, spending too much time on planning results in excessive delays when swift reaction is needed. To be specific, we are not suggesting managers to stop strategic planning altogether; rather, we recommend them to keep the planning process 'light', so that firms refrain from developing rigid marketing plans that take too long to develop and do not allow management teams to alter the strategic decisions and resource deployments specified in their approved plans in a timely manner.

Second, our findings suggest that firms with high organizational agility and strong marketing implementation capability enjoy strong firm performance. This finding makes intuitive sense as agility only offers potential benefits to firms; the follow-through via more effective marketing implementation – relative to competition – is also needed to exploit the potential. We urge managers to try developing strong marketing implementation capability by, for example, deploying appropriate training and development projects, placing emphasis on translating relevant marketing insights into action and effective execution of customer value-adding marketing strategies. Also, we propose that being good at measuring marketing performance, an important part of marketing implementation capability, complements organizational agility well as it gives firms a good understanding of which aspects of the prior strategy implementation efforts and amended strategic plan are effective. Firms with lower levels of marketing implementation capability risk being unable to 'drive the potential benefits of agility home'.

6.3. Limitations

The current study is characterized by the following limitations. First, even though we followed established methodological practices for selecting appropriate and knowledgeable key informants, our data is cross-sectional and collected from a single key informant per organization. Future research may want to consider using multiple informants per organization to minimize informant bias, as well as adopting longitudinal research designs to better understand the potential dynamics interplay between the competencies and capabilities. Second, while we sampled a diverse sample of B2B firms in terms of age, size, and industry sector, our study was conducted in a Western country context (UK and US). Hence, the generalizability of the current study's findings in different national contexts is not ensured. Third, we gauge firm performance based on market-related metrics as they constitute more immediate outcomes than financial performance. Our performance data relies on key informants' perceptions of their firms' success, relative to major competitors. Hence, future studies may provide useful complementary insights by measuring agility based on secondary data (e.g., announcements of strategic changes, such as changes in product/service portfolio) matched with time-lagged, objective financial performance data. Relatedly, control variables such as market position have been only measured based on key informants' perceptions.

6.4. Future research directions

The current study creates fertile ground for future research. First, further research is needed to explicate the marginally significant direct impact of organizational agility on firm performance identified in the current study. Even though the vast majority of empirical work points to a positive relationship between agility and firm performance (e.g., Liang et al., 2022; Zhang et al., 2022), some scholars report non-significant performance effects (e.g., Shin & Park, 2021; Ye et al., 2022). This suggests that the 'agility-performance' association may even be non-linear, while also calling for further scholarly work to examine potentially competing mechanisms through which agility enhances and undermines firm performance.

Second, while the current study considers architectural marketing capabilities as moderators of the 'organizational agility-performance' association, researchers are encouraged to scrutinize further the characteristics of marketing organizations (e.g., structure, culture, human capital, and specialized capabilities) under which organizational agility is more (or less) likely to lead to desired performance outcomes. For instance, scholars can use Morgan's (2012) or Moorman and Day's (2016) overarching frameworks as a starting point to identify marketing-related factors that influence the performance consequences of agility.

Third, scholarly work is needed to disentangle the performance consequences of organizational agility for supplier and customer B2B firms. This is important, given that while extant literature shows that customer firms enjoy various benefits when supplier firms adapt to market changes (e.g., Cannon & Homburg, 2001; Hsieh et al., 2008), adaptation can have negative performance implications for supplier firms due to sunk costs and potential "bullying" from customer firms (Murfield & Esper, 2016).

Fourth, future research needs to consider that besides having implications for firm performance, agility can also affect employee- related outcomes, given that strategic changes influence such factors as employee well-being (Rafferty & Jimmieson, 2017), job satisfaction and turnover intentions (Rafferty & Restubog, 2010). Fulfilling this research direction would require the collection of multi-level data but would enhance our understanding of the bright and dark sides of organizational agility.

CRediT authorship contribution statement

Georgios S. Bekos: Writing – original draft, Methodology, Formal analysis, Conceptualization. **Matti Jaakkola:** Writing – review & editing, Methodology, Formal analysis, Conceptualization. **Simos Chari:** Writing – review & editing, Methodology, Formal analysis, Conceptualization.

Appendix A. Discriminant validity (heterotrait-monotrait ratio)

	1.	2.	3.	4.	5.	6.
1. Org. Agility	–					
2. Mkt. planning	0.47	–				
3. Mkt. implementation	0.63	0.68	–			
4. Firm performance	0.15	0.14	0.29	–		
5. Competitive intensity	0.16	0.10	0.18	0.23	–	
6. Market munificence	0.23	0.10	0.23	0.34	0.44	–

Data availability

The data that has been used is confidential.

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