Globalization and rapid technological developments have contributed to uncertainty and unpredictability in all sectors which have emphasized the importance of the ability of an organization to adapt to unexpected changes, something that is considered to be critical to achieving and maintaining a competitive advantage. This idea of adapting to unforeseen changes has led to the evolution of one of the latest concepts in business strategies and is referred to as the concept of agility. New ideas continue to emerge with accelerated speed pushing old business culture to extinction. In the past, we used physical office structure as one of the necessary factors that determines success but today’s organizations have brought virtual organization into existence. Today, expansion and retention of workforce is the idea that is acceptable to business while downsizing is a forgone idea. Great leaders are more interested in how to effectively anticipate and adapt the entire organization to change. Organizations with adaptability as one of their main characteristics can survive and prosper in today’s environment. Research on how organizations cope with uncertainty and change using the term ‘‘adaptability’’, investigated how the organization’s form, structure, and degree of formalization influenced the ability to adapt (Burns and Stalker, 1961; Hage and . (Aiken, 1969; Hage and Dewar, 1973)

In the 1980s, research paid more attention to the concern of organizational flexibility. A number of economists such as Reed and Blunsdon (1998) highlighted and suggested that organizational flexibility is an organization’s capacity to adjust its internal processes in response to changes in the environment. The review of research on flexibility by Volberda (1996) and De Toni and Tonchia (1998) shows that most of the definitions of the flexible organization emphasize the ability to adapt and respond to change. Early in the 1990s, the new solution for managing a dynamic and changing environment emerged—agility. According to Gunasekaran (1999), agile manufacturing (AM) is the ability of surviving and prospering in a competitive environment of continuous and unpredictable change by reacting quickly and effectively to changing markets, driven by customer-defined products and services. Kidd (1994) defined agility as a rapid and proactive adaptation of enterprise elements to unexpected and unpredicted changes. The creators of ‘‘agility’’ concept at the Iacocca Institute, of Lehigh University (USA) defined it as: ‘‘A manufacturing system with capabilities (hard and soft technologies, human resources, educated management, information) to meet the rapidly changing needs of the marketplace (speed, flexibility, customers, competitors, suppliers, infrastructure, responsiveness)’’ (Yusuf et al., 1999). Yusuf et al. (1999) proposed that agility is the successful application of competitive bases such as speed, flexibility, innovation, and quality by the means of the integration of reconfigurable resources and best practices of knowledge-rich environment to provide customer-driven products and services in a fast changing environment. Despite the differences, all definitions of ‘‘agility’’ emphasize the speed and flexibility as the primary attributes of an agile organization (Gunasekaran, 1999; Sharifi and Zhang, 1999; Yusuf et al., 1999). An equally important attribute of agility is the effective response to change and uncertainty (Goldman et al., 1995; Kidd, 1994; Sharifi and Zhang, 2001). Some authors (Sharifi and Zhang, 1999)
state that responding to change in proper ways and exploiting and taking advantages of changes are the main factors of agility