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Strategic Agility, Digitalization and Sustainability

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ABSTRACT:
Tässä kandidaatintutkielmassa tarkastellaan strategisen ketteryyden, digitalisaation ja kestävän kehityksen välistä suhdetta yritysten liiketoimintaympäristön muutoksiin sopeutumisessa. Tutkimuksen tavoitteena on ollut selvittää, miten strateginen ketteryys voi edistää organisaatioiden kykyä hyödyntää digitalisaation tuomia mahdollisuuksia ja vastata samanaikaisesti kestävän kehityksen asettamiin vaatimuksiin. Taustalla vaikuttaa nopeatahtinen teknologinen kehitys, globalisaation aiheuttama kilpailun kiristyminen sekä ympäristövastuun ja sosiaalisen kestävyyden kasvava merkitys liiketoiminnassa.

Menetelmänä on käytetty kirjallisuuskatsausta, jossa on hyödynnetty ajankohtaisia tieteellisiä artikkeleita, raportteja ja kirjallisuutta. Lähdeaineisto on valittu siten, että se kattaa sekä strategisen ketteryyden, digitalisaation että kestävän kehityksen näkökulmat. Analyysi on toteutettu vertailemalla eri tutkimusten havaintoja ja tunnistamalla teemoja, jotka yhdistävät strategista ketteryyttä, digitalisaatiota ja kestävyyttä.

Tuloksissa on havaittu, että strateginen ketteryys rakentuu erityisesti kyvystä havaita toimintaympäristön muutoksia, reagoida nopeasti ja hyödyntää muutostilanteet kilpailueduksi. Digitalisaatio toimii keskeisenä mahdollistajana ketteryyden toteutumisessa, sillä se tarjoaa työkaluja tiedon keräämiseen, prosessien automatisointiin ja asiakasvuorovaikutuksen parantamiseen. Samaan aikaan kestävän kehityksen periaatteiden integroiminen strategiseen päätöksentekoon nähdään välttämättömänä yritysten pitkän aikavälin menestyksen ja legitimiteetin kannalta.

Kirjallisuuskatsaus osoittaa, että organisaatiot, jotka yhdistävät strategisen ketteryyden, digitalisaation ja kestävän kehityksen tavoitteet, kykenevät paremmin vastaamaan markkinoiden epävarmuuteen ja sidosryhmien kasvaviin odotuksiin. Toisaalta tutkimus tuo esiin, että pelkkä teknologian omaksuminen ei riitä, vaan tarvitaan myös organisaatiokulttuuria, joka tukee jatkuvaa oppimista, joustavuutta ja arvojen mukaista toimintaa.

Johtopäätöksissä korostetaan, että strategisen ketteryyden, digitalisaation ja kestävän kehityksen yhteensovittaminen vaatii sekä johdon sitoutumista että pitkäjänteistä strategista suunnittelua. Yritysten tulisi nähdä kestävyys paitsi eettisenä velvoitteena myös strategisena mahdollisuutena, joka voi luoda uusia liiketoimintamalleja ja vahvistaa brändiä. Lisäksi suositellaan, että organisaatiot investoivat teknologioihin ja osaamisen kehittämiseen tavalla, joka tukee sekä operatiivista tehokkuutta että kestävien arvojen toteutumista. Näin voidaan saavuttaa tasapaino taloudellisten, sosiaalisten ja ympäristötavoitteiden välillä ja varmistaa kilpailukyky myös tulevaisuudessa.

KEYWORDS: digitalisation, sustainable development, strategic agility, digital transformation,

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1 Introduction

In today's increasingly volatile and interconnected business landscape, organizations are facing a dual challenge: the need to rapidly adapt to technological disruption while simultaneously responding to mounting environmental and social responsibilities. Strategic agility has emerged as a vital organizational capability to navigate this complexity, enabling firms to anticipate change, respond effectively, and reconfigure resources to sustain competitive advantage. However, agility alone is not sufficient. As digitalization accelerates and sustainability concerns deepen, firms must weave these priorities into the very fabric of their strategic responses.

Digitalization, through tools like artificial intelligence, cloud computing, and real-time data analytics, has transformed the operational logic of organizations, reshaping how businesses deliver value, innovate, and engage with stakeholders. At the same time, sustainability has evolved from a peripheral concern to a core strategic priority. Companies are now expected not only to comply with environmental regulations but to lead in areas such as circular economy practices, climate action, and socially responsible governance.

Despite increasing interest in agility, digital transformation, and sustainability, the interdependencies among these domains remain underexplored in current academic literature. Many studies address agility and digital transformation as separate constructs, while sustainability is often treated in isolation or limited to ESG reporting frameworks. Recent scholarship, including Rawashdeh et al. (2024), Bouguerra et al. (2024), and Christofi et al. (2024), suggests that a more integrated lens is needed to understand how organizations can leverage digital capabilities and sustainability initiatives to build long-term resilience and adaptive capacity.

This thesis seeks to contribute to that integrative perspective by examining how strategic agility, digitalization, and sustainability interact and reinforce each other. Building on the Best Practice Framework proposed by Christofi et al. (2024), the research explores how organizations cultivate agility not only through technological adoption but through

values-based environmental and social strategies. The analysis incorporates critical views on ESG and CSR to challenge overly simplistic narratives and highlight the importance of context, culture, and conceptual clarity in sustainability discourse.

1.1 Research aim and questions

The central aim of the thesis is to explore how strategic agility and digitalization can together support the development of sustainable business practices, processes, and models. Specifically, the study addresses the following research questions:

RQ1: How can strategic agility and digitalization create more sustainable business practices and processes?

RQ2: In what ways can digitalization and sustainability contribute to strategic agility and firm performance?

1.2 Structure of the thesis

First, Chapter 1 (Introduction) presents the research context, rationale, aim, and structure. The following three chapters reviews the literature of the main concepts of Strategic Agility, Digitalization and Sustainability: Chapter 2 (Strategic Agility) reviews the conceptual foundations of agility, including core dimensions, business model implications, and implementation in large organizations. Then Chapter 3 (Digitalization) clarifies key digital transformation concepts and examines their enabling role in strategic agility, sustainability, and business intelligence. After that, Chapter 4 (Sustainability) defines sustainability, traces its evolution, and discusses its strategic integration, including critical perspectives on ESG and CSR.

Chapter 5 (Best Practice Framework) applies Christofi et al.'s framework to illustrate how leading firms operationalize agility through digitalization and sustainability. Then, chapter 6 (Discussion) synthesizes insights across chapters, addressing research questions and evaluating theoretical and practical implications. And finally, Chapter 7 (Conclusion) summarizes key findings and offers recommendations for business leaders and future researchers.

2 Strategic agility

2.1 Definition and conceptual development

Strategic agility refers to a firm's ability to recognize, respond, and adapt to critical changes and developments that impact its strategic direction. It encompasses the capability to make timely decisions and realign resources efficiently to support strategic choices (Doz & Kosonen, 2010). The concept has gained increasing attention in dynamic and competitive business environments, where agility is not only about reacting to external changes but also about proactively seeking new opportunities for innovation and sustained growth (Harsch & Festing, 2020).

Synthesizing extensive scholarly work on strategic agility, de Diego & Almodóvar (2022) reviewed 293 academic papers and concluded that the concept remains a meta-capability that enables organizations to anticipate, react to, and seize rapid changes in the environment by redefining their corporate strategies and adapting their competitive and functional approaches to ensure survival and value creation. Despite its growing popularity, strategic agility lacks definitional clarity, and research on specific business strategies related to strategic agility remains underdeveloped (de Diego & Almodóvar, 2022).

Recent research by Rawashdeh et al. (2024) further reinforces the strategic importance of agility, identifying a positive relationship between strategic agility, digital transformation, and environmental sustainability. Their findings suggest that organizations leverage strategic agility as an instrumental capability to achieve intended outcomes. They say that it acts as a proactive enabler that helps optimize resource utilization, drive digital transformation, and advance environmental sustainability goals.

2.2 Core dimensions of strategic agility

Doz & Kosonen (2010) propose that firms can achieve more agility (and counter the natural tendency for firms to became too structured and stiff when pursuing productivity and manageability) through three essential meta-capabilities: **Strategic Sensitivity:** the ability to maintain clarity of insight and a sharp focus on emerging strategic developments. **Leadership Unity**: the capacity of senior leaders to make decisive choices without internal political conflicts. **Resource Fluidity**: the organizational ability to swiftly adapt capabilities and reallocate resources in response to shifting priorities.

Doz & Kosonen (2010) Argue, that Strategic agility enables firms to effectively reinvent and restructure business models. They state that advanced strategic sensitivity enables firms not only to spot emerging opportunities for novel business models, but also to recognize when rethinking and reconfiguration of existing models is needed. They add that business model renewals often require making difficult and uncertain choices, so leadership unity is critical to successfully transform business models. Also, in their view, resource fluidity is needed to assign resources, most importantly people, efficiently to new or evolved roles in the new structure of connections.

In later works, Vision clarity is sometimes added to the core dimensions. For example Akone & Kinyua (2025) define it as having a clear long-term plan while staying flexible enough to change direction when needed, to help a company stay focused on its goals but also adjust to changes in the market.

Building on these foundational dimensions, Christofi et al. (2024) identify a gap in literature regarding the specific functional practices that facilitate strategic agility. To address this gap, they propose a Best Practice Framework, integrating Doz & Kosonen's (2010) meta-capabilities while offering a practical managerial approach tailored for complex and evolving business environments.

2.3 Business models and strategic agility

While firms must continuously adapt their business models to remain competitive, business model rigidity poses a challenge to strategic agility. As Doz & Kosonen (2010) note, business models provide structure and define operational mechanisms, but their pursuit of efficiency and predictability often increases organizational inertia, making change difficult. Firms that emphasize repeatability and efficiency in their processes may experience reduced flexibility, ultimately hindering their ability to respond to disruptive market conditions.

Thus, while business model stability can provide a firm with operational consistency, it may also become a liability when agility is required. Doz & Kosonen (2010) argue that many firms define success based on the ability to optimize and repeat processes efficiently, which possibly limits adaptability and innovation. Balancing stability with agility remains a key challenge for firms seeking long-term sustainability and competitiveness.

Recent work by Hutter et al. (2025) provides valuable insights into how incumbent firms can scale strategic agility across organizational levels. Their case study of a multinational financial services company undergoing large-scale agile transformation illustrates how agility can be embedded initially at the divisional level and later expanded throughout the organization. The creation of an Agile Center of Competence (ACC) played a central role by fostering a culture of responsiveness, breaking down traditional hierarchies, and enabling more flexible collaboration across teams. As the transformation progressed, the company responded effectively to competitive pressures, technological disruption, and shifting customer expectations. Key success factors included active top-management support, employee empowerment, iterative experimentation, and the alignment of agile practices with broader strategic goals. This example proposes how large organizations possibly can gradually build agility by combining structural redesign with cultural change, especially in environments shaped by digitalization and uncertainty.

This suggests that business model agility is not achieved through isolated initiatives, but through a continuous and deliberate process that integrates cultural and structural changes. In this context, agility becomes both a strategic capability and an ongoing organisational practice, enabling firms to anticipate shifts rather than merely react to them. When successfully embedded, it can transform agility from a temporary project outcome into a sustained source of competitive advantage.

3 Digitalization

3.1 Digitalization and Digital Transformation: conceptual clarification

Digital transformation is often used interchangeably with digitalization, yet the two concepts differ in scope and strategic impact. According to Henriette et al. (2015), digital transformation refers to a broader organizational shift driven by the application of digital technologies across all aspects of business and society; it involves not only the adoption of new tools but also the reconfiguration of business models, operational processes, and user experiences. In contrast, they say that digitalization is more narrowly focused on the integration of digital technologies into existing processes, such as converting physical assets into digital formats or automating routine tasks. While in their opinion, digitalization enhances efficiency and streamlines operations, digital transformation represents a strategic evolution that reshapes how value is created and delivered. Henriette et al. emphasize that this transformation is fueled by market disruptions, rising user expectations, and the need for organizations to remain agile and competitive in an increasingly digital environment. In short, when digitalization extends from simply enhancing existing processes to redefining business models and market dynamics, it becomes digital transformation (Kohtamäki et al., 2025).

3.2 Digitalization as an enabler of strategic agility

Information technology (IT) and information systems have long been recognized as key enablers of strategic agility, providing firms with the capacity to adapt to dynamic business environments (de Diego & Almodóvar, 2022). IT infrastructure facilitates connectivity within organizations by linking departments and external stakeholders, such as customers and suppliers, promoting accessibility, visibility, and transparency (Christofi et al., 2024). With advancements in data processing and storage capabilities, digitalization has streamlined knowledge accessibility, enabling organizations to leverage information

efficiently (Kohtamäki, 2017). Similarly, Talaoui & Kohtamäki (2020), state that competitive advantage keeps getting less dependent on hidden formulas or managerial intuition, and therefore managers and businesses should be more collaborative and transparent in their practices to harness data-driven predictability, real-time decision making and strategic responsiveness.

Christofi et al. (2024) further emphasize that organizations must balance leveraging existing IT tools while exploring emerging technologies that may enhance agility. By continuously adopting and refining digital infrastructures, firms can improve knowledge integration and business process alignment, both internally and externally (Overby et al., 2006).

3.3 Digital Transformation, Sustainability, and Strategic Agility

Digital transformation has also been shown to enhance environmental sustainability by equipping firms with the ability to analyze environmental data, anticipate changes, and swiftly adapt operations, and this enables the development of innovative products and more sustainable practices (Rawashdeh et al., 2024). In their study, Rawashdeh et al. (2024) found that digital transformation also served as a partial mediator in the relationship between strategic agility and sustainability outcomes. They argue, that while strategic agility contributes to sustainability, its effectiveness is significantly enhanced when supported by digital technologies. However, the partial nature of this mediation suggests, in their opinion, that other factors such as green innovation, circular economy practices, and organizational culture also influence this relationship.

Rawashdeh et al. (2024) further argue that organizations must continuously reassess and adapt their strategies and operational plans in response to the rapid pace of technological innovation and the evolving digital landscape. They define digital transformation as the integration of digital technologies aimed at improving organizational efficiency,

fostering innovation, and securing sustained competitive advantage. They add that emerging digital technologies are catalyzing significant shifts within industrial frameworks and business models. They see strategic agility as a critical dynamic capability that enables organizations to respond rapidly and effectively to sustainability challenges and that in this context, digital transformation capabilities further empower firms to take proactive measures in addressing environmental shifts, enhancing their ability to act decisively and sustainably within fast-evolving business environments.

A notable example of operational sustainability supported by digitalization is UPS's ORION system (On Road Integrated Optimization and Navigation), which uses metaheuristic optimization to improve delivery routes across its U.S. fleet (Holland et al., 2017). By analyzing package pickup and delivery data daily, ORION generates routes that maintain consistency towards customers while significantly reducing fuel consumption, and with over 55,000 drivers using ORION, UPS estimates annual cost savings of 300–400 million dollars and a reduction of approximately 100,000 metric tons of CO_2 emissions (Holland et al., 2017).

4 Sustainability

4.1 Defining sustainability

The concept of sustainability, as widely understood today, traces its origins to the so called Brundtland Report (World Commission on Environment and Development, 1987). The report defines sustainable development as “meeting the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, The Concept of Sustainable Development section, 1987). This foundational definition has influenced sustainability discourse across disciplines, including corporate strategy and organizational research.

The three-pillar model of sustainability, environmental, social, and economic, is commonly visualized as three overlapping circles or pillars, with sustainability at their intersection. Although this model has become a dominant framework, its origins are scattered and not based on a single theory (Purvis et al., 2019). Purvis et al. (2019) explain that the pillars emerged over time from different critiques of economic development, especially those highlighting ecological concerns and unmet basic needs. They say that each pillar represents a major domain: environmental refers to the health and limits of natural ecosystems, social emphasizes equity, justice, and human well-being and economic relates to growth and prosperity. Purvis et al. also state that despite its widespread use, the model is often applied without a clear understanding of how the pillars interact, leading to simplified or politicized interpretations.

In the evolving landscape of sustainability, Tennakoon et al. (2024) highlight that environmental sustainability practices have undergone significant transformation between 2010 and 2023. They state that, from remote sensing and satellite-based environmental monitoring to citizen science initiatives, the deployment of data-driven tools has amplified the precision and scale of ecological conservation efforts. Furthermore, the review underscores the strategic role of international agreements like the Paris Agreement and

the Convention on Biological Diversity in steering global policy and institutional commitment. In their view, these developments illustrate a shift from basic regulatory compliance toward integrated approaches that align environmental stewardship with long-term development goals, offering organizations a roadmap to enhance transparency, ecological responsibility, and resilience driven by technological innovation, interdisciplinary collaboration, and adaptive management.

4.2 Strategic agility and corporate sustainability

Strategic agility has been increasingly integrated into corporate sustainability efforts, particularly through frameworks such as Environmental, Social, and Governance (ESG) practices and Corporate Social Responsibility (CSR) (Christofi et al., 2024). Businesses can address environmental sustainability challenges by leveraging strategic agility capabilities to foster innovation and collaboration among stakeholders (Bouguerra et al., 2024). Given the growing complexity of environmental issues, effective sustainability initiatives require multi-stakeholder engagement, including firms, policymakers, and civil society (Bode et al., 2019).

Corporate sustainability has evolved over time, reflecting broader shifts in business strategy. In et al. (2024) conducted a longitudinal review of corporate sustainability research spanning 47 years, defining sustainability as “a company’s value creation process through a business strategy that integrates environmental, social, and governance (ESG) dimensions”, highlighting sustainability as an integral component of business strategy rather than an auxiliary corporate function.

Strategic agility has also been shown to contribute to sustainable competitive advantage, enhancing firms' ability to build effective supplier and distributor networks while improving sustainability performance (Tufan & Mert, 2023). Furthermore, ethical leadership plays a critical role in shaping CSR initiatives, influencing organizational culture, and strengthening sustainability efforts (Alkhadra et al., 2023).

4.3 Critical perspectives on ESG and CSR

Despite the widespread adoption of ESG and CSR frameworks, recent critiques from e.g. Bansal et al. (2025), suggest that these concepts may not fully account for the systemic and complex challenges posed by planetary resource limitations. These scholars argue that traditional business strategies often oversimplify the interactions between firms, their environments, and human decision-making processes, limiting their effectiveness in addressing sustainability at a macro level.

Conversely, Foss & Klein (2025) challenge the notion that existing strategic frameworks are inadequate, arguing that current methodologies hold significant potential for addressing environmental challenges. They contend that dismissing traditional strategy models as lacking complexity oversimplifies the contributions of established business theories to sustainability. This debate highlights an ongoing scholarly divergence in sustainability research, with some advocating for entirely new paradigms while others emphasize the adaptability of current strategies.

5 Best Practices Framework

Christofi et al. (2024) propose a Best Practice Framework for Strategic Agility, developed from their study of four multinational firms. Their framework identifies five critical dimensions: Knowledge Management, Dynamic Talent Management, Open Innovation, Digitalization, and Sustainability. While all these elements contribute to strategic agility, this section emphasizes digitalization and sustainability, which play a pivotal role in shaping long-term strategic flexibility in contemporary organizations. The framework is visually represented in Figure 1.

Figure 1. Strategic Agility Best Practices Framework (Christofi et al., 2024)

5.1 Digitalization: A driver of strategic agility

Digitalization is recognized as a fundamental enabler of strategic agility, equipping firms with the ability to swiftly adapt, innovate, and respond to changing market dynamics (Christofi et al., 2024). Beyond traditional IT infrastructure, modern digital technologies,

such as wireless communication, cloud computing, artificial intelligence (AI), and big data analytics, facilitate real-time decision-making and operational efficiency.

Christofi et al. (2024) highlight that best-practice firms leverage AI-driven applications combined with cloud-based technologies to systematically screen digital sources (e.g., social media platforms, market trends) for actionable insights. In their view, these capabilities enhance strategic decision-making by allowing firms to analyze large-scale data rapidly and cost-effectively.

Additionally, digitalization streamlines transaction-heavy processes across organizations, improving connectivity and automation. Companies pursuing best practices actively integrate digital tools into e-commerce platforms and develop omni-channel strategies to ensure seamless customer interactions. These digital advancements reinforce agility by facilitating adaptability in dynamic business environments. Identified best practices for information technology are presented in table 1.

Table 1. Best practices in IT for Strategic Agility (Christofi et al., 2024).

Strategic agility information technology	
Focus on	**Best practices**
Digitalization	• Focus on cloud computing • Explore emerging technologies • Automate high volume processes • Develop IT platforms that connect internal functions with external stakeholders. • Exploit social media as communication tool. • Adopt communication applications/software • Explore Enterprise software

5.2 Sustainability: Integrating Long-Term Strategic Agility

Sustainability has emerged as a core priority in best-practice corporations, driven by increasing environmental, social, and governance (ESG) demands and the growing significance of corporate social responsibility (CSR) (Christofi et al., 2024). Organizations striving for strategic agility recognize sustainability as a value-enhancing approach rather than a mere compliance requirement.

Best-practice firms actively engage in sustainability initiatives that extend beyond regulatory obligations, incorporating ecological concerns into their core strategic frameworks. This includes commitments to resource efficiency, carbon footprint reduction, ethical supply chains, and social impact programs (Christofi et al., 2024).

Additionally, sustainability practices contribute to organizational resilience, reinforcing long-term agility by minimizing risk exposure to environmental uncertainties (Bouguerra et al., 2024). Scholars emphasize that effective sustainability strategies demand collaborative efforts among multiple stakeholders, including governments, industry players, and consumers (Bode et al., 2019). Table 2 outlines the best practices identified in sustainability efforts among leading firms.

Table 2. Best practices in sustainability for Strategic Agility (Christofi et al., 2024).

Strategic agility corporate sustainability	
Focuses on	**Best practices**
ESG Scores	• **Engage stakeholders in strategic dialogue** • **Establish formal procedures and policies toward ESG scores.** • **Establish Governance Mechanisms** • **Participate and lead global events on sustainability.** • **Contribute to local communities** • **Value Sustainability as an integral part of the organization**

5.3 Interplay Between Digitalization and Sustainability

The synergy between digitalization and sustainability is increasingly shaping contemporary business strategies. Digital tools, particularly AI-driven analytics and cloud-based systems, enable firms to monitor, evaluate, and enhance sustainability performance in real time, for example, digital solutions assist in tracking emissions, optimizing sustainable supply chains, and improving resource allocation. (Christofi et al., 2024).

Moreover, the digital transformation of business models strengthens accessibility and transparency, reinforcing sustainability initiatives through data-driven insights, and Christofi et al. (2024) also emphasize that digital sustainability platforms allow firms to engage with global sustainability movements, contributing to industry-wide advancements.

5.4 Supporting Dimensions in the Best Practices Framework

While digitalization and sustainability are central to this discussion, other dimensions within the Best Practices Framework provide essential support: **Knowledge Management** ensures that firms collect, organize, and disseminate information effectively, allowing digital tools to facilitate real-time knowledge exchange (Ashrafi et al., 2006). **Dynamic Talent Management** strengthens agility by encouraging cross-functional collaboration, leveraging digital platforms for employee mobility and skill development (Christofi et al., 2024). **Open Innovation** fosters external collaborations, integrating sustainability-focused innovations by combining internal research with market-driven and science-based advancements (Christofi et al., 2024).

6 Discussion

The aim of this thesis was to deepen the understanding of the concepts of Strategic Agility, Sustainability and Digitalization and specifically the connections between these concepts. Mainly the focus of interest was to understand how in practice these can be developed in an organization, and how, if at all, these concepts affect positively to each other.

The limitations of this work include that the thesis is written solely as a literature review, and the author had very little academic knowledge on these subjects beforehand. Nevertheless, the thesis brings up interesting connections and potential areas for further research in the practices of strategic agility in different sized firms as well as the in the potential of digital improvements in strategic agility and sustainability.

Digitalization seemed to come up consistently as a main component of achieving strategic agility in practice. Digitalization is also seen as a key enabler of sustainable practices and has the potential to allow the creating, monitoring and evaluation of more complex and real time sustainability metrics. Also, further research should include the potential negative consequences of digital transformation to the environment in for example the consumption of electricity.

The Christofi et al. (2024) proposed Strategic agility best practices framework offers an interesting basis for the use and development of strategic agility in the practical business world. The framework still leaves a lot of actionable practices to be discovered in future academic works in different sized firms, which all have different circumstances, resources and markets. The Christofi et al. (2024) framework also brings front the importance of digitalization and gathering and using information with current and emerging technologies and applications as vital part of achieving strategic agility.

The role of sustainability as a component that would influence strategic agility is not clear. Mainly sustainability is seen as a byproduct of digitalization and more efficient practices

and processes, or a goal that is ethical and therefore important to aspire towards. In literature, there are some concerns about current sustainability metrics and standards not being sufficient to capture the complex nature of sustainability problems and the interconnectedness of actors in the global business ecosystems (Bansal et al., 2025). Digitalization and the advancement of digital transformation have the potential to deepen the monitoring of more complex problems and the creating of new metrics and standards, and this is one interesting avenue for further research.

7 Conclusion

In modern business environments, which are rapidly and constantly changing and evolving, Strategic agility is a concept that can bring clarity and insight to the ways that businesses and business leaders can view and develop their organizations to survive and to thrive. Sustainability is a concept that can not be ignored in today's world and is also a key field for companies to stay relevant.

Strategic agility mainly is formed by the organizations ability to sense changes in the environment, the ability of the leaders to make decisions in an unified manner without conflicting with each other, and the ability to sift resources efficiently as needed. The concept of strategic agility has gained popularity in recent years, but the exact practices as how an individual organization can achieve the state of strategically agile, has been limitedly studied. To address this gap, Christofi et al. (2024) have created a best practice framework for businesses to follow, if strategic agility is the goal. In the framework they propose a five-dimensional concept of knowledge management, Dynamic talent management, Open innovation, Digitalization and Sustainability. In this thesis, the focus was to concentrate on digitalization and sustainability in the context of strategic agility because these themes are currently developing at a face pace and influencing all aspects of life.

Digitalization emerged as a core component of strategic agility practices and an important enabler of all the other dimensions of Christofi et al. (2024) framework as well. Use of current and the exploration of emerging digital tools is a vital part of strategic agility in practice as they make the collection of information of the changes in the environment more efficient and accurate than before. Digitalization also has the potential to make allocation of resources more efficient by for example enhancing the communication with employees, suppliers, partners and the whole business ecosystem.

Sustainability can also be seen as enabler of strategic agility in practice, as sustainable practices might shield organizations from future disturbances and the involvement in

sustainability development requires co-operation with multiple stakeholders giving insights into future developments and possible incoming sifts in the operating environments. Nevertheless, Strategic agility boosted with digitalization, will result in more efficient processes, reducing waste and pollution, and more innovative and sustainable products if sustainability is the goal and demand of the customers and stakeholders.

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Appendices

Appendix 1. Use of AI

Microsoft CoPilot AI has been used to explore synonyms and the meaning of some words. CoPilot and Scispace have been used to find papers relevant to the thesis. CoPilot have been used to help structure the text.