

## The Mediating Effect of Strategic Agility Towards Business Evolvability: A Structural Equation Model for Hotel Service Industry

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### **Abstract:**

This study has determined the impact of strategic agility on innovation performance, collaboration capabilities, and company evolvability. The researcher employed a correlational research design that employed mediation and a structural model of evaluation to evaluate the mediating impact of strategic agility on the relationship between innovation performance and business evolvability, as well as through the mediation of strategic agility towards collaborative capabilities to business evolvability.

This study yielded both accuracy and efficiency. After completing the evaluation, the questionnaire items (and, thus, the model indicators) are valid and statistically reliable. The findings about the validity and reliability of the construct relationships were statistically appropriate. Four tests, namely Cronbach's alpha, Composite reliability, Convergent validity, and Discriminant validity, were conducted to ascertain the validity and reliability of the measurement models. The outcome demonstrated the validity and reliability of the four variables: innovation performance, collaborative capabilities, strategic agility, and business evolvability.

The study's target population was the National Capital Region's hotel service industry. Respondents must have worked for the company for at least two years, regardless of position. They must be officers, employees, or top managers with direct knowledge of innovation performance, collaborative capabilities, business evolvability, and strategic agility within the business organization. The researcher sent an online survey questionnaire using Google Forms to guarantee that the chosen respondents get surveys to complete to the 178-sample size, which was obtained using the priori statistical power analysis using G Power with power =.95 ( $1 - \beta$ ), effect size =.15, and  $\alpha$  =.05.

The researcher employed both inferential and descriptive statistics and utilized the Partial Least Squares Regression—Structural Equation Model (PLS-SEM) to assess each relationship between the constructs. This method was intended to obtain the study's results. The researcher used WarpPLS to perform the PLS-SEM and Jamovi software to conduct the descriptive statistics.

All the hypotheses tested were accepted and showed a significant effect on the four variables, namely innovation performance, collaborative capabilities, strategic agility, and business evolvability; it also further revealed the significant mediating effect of strategic agility on the relationship between innovative performance to business evolvability, and the significant mediating effect of strategic agility on the relationship between collaborative capabilities to business evolvability.

Therefore, the researchers concluded that all the indicators on the four variables, namely, innovative performance, collaborative capabilities, strategic agility, and business evolvability, are good indicators for a Model of Agility and Business Continuity or Evolvability in the Hotel Service Industry in the National Capital Region.

### **Keywords:**

Innovation Performance, Collaborative Capabilities, Strategic Agility, Business Evolvability.