

# Transformational Leadership, Customer Value Orientation and Readiness to Change of ISO Certified Academic Institutions: A Structural Equation Model on Organizational Agility

Giamalon, Virnex R., Manayan, Francis Evan L.

<sup>a</sup>v.giamalon.531027@umindanao.edu.ph

*Instructor, University of Mindanao, Davao City, 8100, Philippines*

*Instructor, University of Mindanao, Davao City, 8100, Philippines*

---

## Abstract

The main aim of the study was to create a best-fit model for predicting the level of organizational agility among personnel in ISO certified academic institutions in the Davao Region. This study adopted a non-experimental, quantitative research approach and applied a Structural Equation Model. A standardized questionnaire was used to conduct a survey among 419 teaching and non-teaching employees of an ISO accredited institution in the Davao Region. The individuals were chosen using a method called stratified random sampling. The data analysis involved using statistical approaches such as calculating the mean, determining the Pearson product-moment correlation, and applying a structural equation model. The results revealed that the level of transformational agility, readiness for change, and customer value orientation were all very high. There is a significant correlation between all external variables and the internal variable of organizational agility. The most appropriate model, Structural Model 3, was selected to demonstrate the direct and significant relationships between transformational leadership (communicating a vision and providing a suitable example), readiness to change (intentional readiness and emotional readiness), customer value orientation (reputation and quality), and organizational agility (sensing agility, decision-making agility, and action agility) among employees in Higher Education Institutions (HEIs) in the Davao Region.

Keywords: business administration, transformational leadership, readiness to change, customer value orientation, organizational agility, higher education institutions, Philippines.

---

## 1. INTRODUCTION

Most higher education institutions concern is organizational agility (Santos, 2023; Chan & Muthuveloo, 2019 & Menon & Suresh, 2021). The need of global interconnection, the abrupt advancement of technology, and the convergence of disciplines in the modern business and higher education institutional environment present the educational sector with a variety of challenges and possibilities (Fumasoli, 2023). The potential change in the educational environment may necessitate leadership that can improve the organization's ability to adapt quickly and effectively. An important concern that has arisen recently is whether Higher Education Institutions (HEIs) possess the requisite resources and ability to successfully respond to changes in their environment (Menon & Suresh, 2021). This is in line with the goal of UN SDG 17 that aims in developing effective, accountable and transparent institutions at all levels (United Nations, 2023) which is feasible through examining organization's agility.

The COVID-19 pandemic serves a prominent example of an extensive change (Prieto & Talukder, 2023), which has significantly intensified the difficulty of ensuring education stability. This highlights the necessity for higher education institutions to adjust and enhance their ability to withstand and recover from drastic change. Higher education has a crucial role in the growth and development of human capital, as well as in driving economic and social reforms. Change is an ongoing process, although its degree may differ. In the face of growing unpredictability, the capacity to embrace and adjust to change is essential for both survival and development. Organizations must adopt organizational agility in order to enhance their ability to recover quickly from challenges and adapt to improve their resilience (Prieto & Talukder, 2023).

Even so, compared to their industrial counterparts, educational institutions going through transformations are less agile in terms of planning and implementing change. When considering environmental changes, it is essential to evaluate the availability of resources and flexibility of Higher Education Institutions (HEIs). Therefore, it is crucial to comprehend the factors that impact organizational agility (Menon & Suresh, 2021). Several researchers have made notable contributions to the understanding of agility in the field of higher education. The function of technology in higher education is the subject that has garnered the most extensive academic research (Bunton, 2017). A study conducted in private higher education institutions in Malaysia highlighted the significance of cultivating agility in the education sector to establish a link between individuals and organizational performance (Chan & Muthuveloo, 2019). Another study examines that focuses on assessing the organizational agility of higher education professors in the Philippines. It specifically examines their ability to adapt to innovation and change, their level of empowerment, their tolerance for different perspectives, and their proficiency in using instructional technology. The investigation evaluates these skills across various aspects of teaching, including classroom environment, planning and preparation, instruction, and professional responsibilities (Santos, 2023).

Furthermore, the study conducted by Mandane-Garcia and Jamias (2023) among Higher Education in the Philippines demonstrates that quality assurance is a systematic process that involves ongoing improvement of an institution. It necessitates accountability, commitment, and active participation from all levels, particularly from leadership. Quality assurance also enhances the culture of quality within the institution and its members, and is facilitated by effective communication. This emphasizes the necessity of quality assurance as a fundamental component of institutional administration and planning. The landscape of tertiary education is always evolving, necessitating corresponding adaptations in quality assurance methods to remain pertinent and effective. It is a gradual procedure that requires a significant amount of time and ongoing dedication.

Moreover, Adam's (2021) research highlights that by comprehending, implementing, and employing effective control mechanisms, agile methods can not only coexist harmoniously with ISO 9001 but also augment the total quality management system, hence resulting in enhanced organizational performance. Despite these existing studies, none of the studies have captured all the factors that can promote agility in ISO certified academic higher education in the Philippines. This research is an effort to encapsulate the factors and explain the interrelationship between them in facilitating agility in ISO-certified HEIs in the Davao Region, Philippines.

### *1.1. Research Questions*

This study aimed to come up with a structural equation model for organizational agility among personnel in ISO Certified Organizations in Region XI. Specifically, it sought to ascertain:

1. What is the level of Transformational Leadership in terms of:
  - 1.1 Articulating a Vision
  - 1.2 Providing Appropriate Model
  - 1.3 High-Performance Expectations

- 1.4 Individualized Support
  - 1.5 Intellectual Stimulation
2. What is the level of Readiness to Change in terms of:
  - 2.1 Emotional Readiness for Change
  - 2.2 Cognitive Readiness for Change
  - 2.3 Intentional Readiness for change
3. What is the level of Customer Value Orientation in terms of:
  - 3.1 Quality
  - 3.2 Value for money
  - 3.3 Reputation
4. What is the level of Organizational Agility in terms of:
  - 4.1 Sensing agility
  - 4.2 Decision-making agility;
  - 4.3 Action agility.
5. Is there a significant relationship between:
  - 5.1 Transformational Leadership and Organizational Agility
  - 5.2 Readiness to Change and Organizational Agility
  - 5.3 Customer Value Orientation and Organizational Agility
6. What is the best-fit model for Organizational Agility among ISO Certified Organizations' employees?

## 2. METHODOLOGY

### 2.1. Research Design

This study utilized a quantitative approach, employing both descriptive and correlational research designs. The collected data is utilized to delineate the attributes of a population or phenomenon under investigation. The study utilized a descriptive research approach to accurately depict the current state of organizational agility among employees of Higher Education Institutions in Region XI. This was done by examining factors such as transformational leadership, readiness to change, and customer value orientation.

This study utilized the correlational research design, specifically the prediction design. Correlational research designs involve the use of the correlation statistical test to precisely characterize and quantify the level of link or relationship between two or more variables. The correlational design utilizes prediction to forecast an outcome or criteria. In this design, the researcher identifies one or more predictor variables and a criterion variable. The correlational research approach employed prediction modeling, specifically Structural Equation Modeling (SEM), to identify the characteristics that might forecast organizational agility among employees.

Structural Equation Modeling (SEM) is a statistical approach used to analyze the link between exogenous and endogenous variables. It involves a set of approaches that assess the claimed causal process or model related to a certain phenomenon (Bagozzi & Yi, 2012). Structural Equation Modeling (SEM) is a statistical method that allows for the assessment of both direct and indirect correlations between dependent and independent variables, as well as the interrelationships among the independent variables, all at the same time. Additionally, it offers a higher level of explanatory power and

comprehensiveness compared to traditional techniques such as bi-variate and multiple-regression analysis (Cheng, 2001).

## 2.2. *Research Respondents*

The participants of this study consisted of 419 individuals who work in teaching and non-teaching roles at both public and private Higher Education Institutions (HEIs) in Region XI. The number of respondents was determined using the stratified random sampling technique. Stratified sampling is a technique that includes partitioning a population into smaller, distinct subgroups. This is in line with the total of four hundred (400) respondents, which is the minimum sample size required for Structural Equation Modeling (SEM) according to Wolf, Harrington, Clark, and Miller (2015), were selected randomly to participate in the survey. The statistics suggest that there are notable correlations between parameters and sample size, with sample sizes varying from 300 to 460 occurrences. Moreover, it underscores the constraints of frequently cited structural equation modeling assumptions.

The study's inclusion criteria encompassed individuals who were professionals in higher education institutions (HEIs) located in Region XI (Davao Occidental, Davao Oriental, Davao del Sur, Davao de Oro, Davao City, and Davao del Norte), both in teaching and non-teaching roles. The actual respondents consisted of both permanent and contractual employees who had a minimum of two years of work experience. The inclusion criteria were formulated to guarantee that the respondents had previously established residency in the institution and had acquired enough tenure to acquire leadership experience within the organization. The study's exclusion criteria encompass individuals who are teaching and non-teaching professionals at Higher Education Institutions (HEIs) located outside Region XI and have a tenure of less than two years.

Most respondents were from the Davao del Sur, with 101 (24%) employees who answered the survey form, 49 (12%) samples from Davao Oriental, 69 (16%) samples from Davao del Norte, 37 (9%) samples from Davao Occidental, 76 (18%) from Davao City and 87 (21%) samples from Davao de Oro. In addition, participants were afforded the autonomy to voluntarily engage in the study without any prerequisites. They were not to be compelled or forced in any manner. Declining to participate incurs no loss of benefits or penalty. Participants have the option to withdraw from the study at any moment, particularly if their data privacy is compromised.

## 2.3. *Research Instruments*

The research instruments used to gather the data were adopted from various authors with some revisions to fit with the current study. The variables with corresponding authors were Organizational Agility (Pavlou & El Sawy, 2006), Transformational Leadership (Podsakoff, 1990), readiness to change (Bouckenoghe, Devos, & Van den Broeck, 2009), and customer value orientation from (Nasution & Mavondo, 2008). The contextualized research instrument will be subject to validation by experts.

### 3. RESULTS AND DISCUSSION

#### 3.1. Research Instruments

The results of the Transformational Leadership variable in terms of articulating a vision, providing appropriate model, high-performance expectations, individualized support and intellectual stimulation levels conducted on employees in the Region XI are shown in Table 1. Very high results were observed, with an overall mean of 4.25 (SD of 0.59). As so, the transformational leadership is always evident.

On a per-indicator analysis, Articulating a Vision had the highest mean of 4.35 (SD 0.63) described as very high. Next came High-Performance Expectations, which had a mean of 4.31 (SD 0.63) described as very high. Providing Appropriate Model with a mean of 4.28 (SD 0.69) described as very high. Having a mean of 4.22 (SD 0.68) described as very high is Intellectual Stimulation comes next. The indicator for Individualized Support got the lowest mean of 4.13 (SD 0.75) described as high.

The results shows that employees in ISO Certified Academic institutions believes that their leaders communicate the roadmap of the organization, sets an excellent example to emulate, makes their people feel empowered to excel at all times, provides tailored support to the team and stimulates employees to come up with new ideas.

This aligns with the findings of Akkaya & Tabak (2020) that transformational leadership has a highly positive and important effect on organizational agility and are correlated in a strong way. Because great leaders inspire their subordinates to learn new processes and procedures, which enterprises desperately require in this volatile climate. Transformational leaders make strategic judgments and have the innovative capacity to adapt their organizations to quickly changing markets. This is directly related to organizational agility.

Table 1. Level of Transformational Leadership among Personnel in ISO Certified Academic Institutions in Region XI

Indicators	SD	Mean	Descriptive Level
Articulating a Vision	0.63	4.35	Very High
Providing Appropriate Model	0.069	4.28	Very High
High-Performance Expectations	0.63	4.31	Very High
Individualized Support	0.75	4.13	High
Intellectual Stimulation	0.68	4.22	Very High
<b>Overall</b>	<b>0.59</b>	<b>4.26</b>	<b>Very High</b>

The level of the readiness to change for the employees of ISO Certified Academic Institution in the Davao Region is shown in Table 2. A very high level is indicated by the overall mean of 4.28 with standard deviation of 0.61 was achieved. This suggests that readiness to change is always evident. Based on a per-indicator study, the highest mean is 4.30 (SD 0.64) or very high is Cognitive Readiness for Change. Followed

by Intentional Readiness for Change with the mean of 4.28 (SD 0.66) or very high and the lowest mean is 4.27 (SD 0.68) or very high for the Emotional Readiness for Change.

Table 2. Level of Readiness to Change among Personnel in ISO Certified Academic Institutions in Region XI

Indicators	SD	Mean	Descriptive Level
Emotional Readiness for Change	0.68	4.27	Very High
Cognitive Readiness for Change	0.64	4.30	Very High
Intentional Readiness for Change	0.66	4.28	Very High
<b>Overall</b>	<b>0.61</b>	<b>4.28</b>	<b>Very High</b>

This implies that the employees in ISO Certified Academic institutions believes that their organization helps create a good feeling about the change undertakings, prepare them mentally for change and motivates employees to devote themselves in the change process.

This aligns with the assertion made by M & Pankaj Dutta, (2019) undertaken among healthcare facilities to determine the characteristics that contribute to readiness for change in agility. The aim was to understand how these factors are interconnected and to examine their interrelationships. The study indicates that environmental scanning, resource availability, innovativeness, cost effectiveness, organizational leadership, training, and development are crucial elements for enhancing the readiness of agility in healthcare companies.

Additionally, Thien (2019) that when an organization is prepared for change, its primary objective is to promote change and reduce opposition. If organizational members are unprepared for changes, the change may be rejected and organizational members may exhibit negative emotions in response to the changes.

The level of Customer Value Orientation in terms of quality, value for money and reputation ISO Certified Academic Institutions in the Region XI is shown in Table 3. The total mean of 4.37 reached is considered very high. This indicates that Davao Region employees' reported customer value orientation always evident. As per-indicator analysis, Reputation is having the highest mean score of 4.46 (SD 0.61) or very high. Additionally, quality has the mean score of 4.35 (SD 0.65) or very high and Value for money has the lowest mean score of 4.28 (SD 0.68) or very high.

Table 3. Level of Customer Value Orientation among Personnel in ISO Certified Academic Institutions in Region XI

Indicators	SD	Mean	Descriptive Level
Quality	0.65	4.35	Very High
Value for Money	0.68	4.28	Very High
Reputation	0.61	4.46	Very High
<b>Overall</b>	<b>0.60</b>	<b>4.37</b>	<b>Very High</b>

This indicates that the firm consistently provides excellent quality, offers services that are valuable and worth the cost, and is a significant competitor in the industry. This aligns with the findings of Juliana B. M., Prabowo, Alamsjah, & Hamsal (2023) conducted among Indonesian banking industry demonstrated that prioritizing customer needs has a favorable and substantial impact on the ability of an organization to adapt quickly and effectively to change. This suggests that the greater the focus on customer satisfaction, the more adaptable the organization would be. Banks need to enhance their adaptability, versatility, and responsiveness in order to effectively address changes in technology and shifts in client behavior

Lastly, the level of Organizational Agility of ISO Certified Academic Institutions is identified, determined by sensing agility, decision-making agility and action agility, is shown in Table 4. It received a 4.12 overall mean or High, with standard deviation of 0.61 indicating that organizational agility is often shown. Among the indicators, Decision-making agility got the highest mean score of 4.15 (SD 0.66) described as high. Followed by Sensing Agility with the mean score of 4.13 (SD 0.67) described as high. Among all indicators, Action Agility got the lowest mean of 4.08 (SD 0.65) that means high.

Table 4. Level of Organizational Agility among Personnel in ISO Certified Academic Institutions in Region XI

Indicators	SD	Mean	Descriptive Level
Sensing Agility	0.67	4.13	High
Decision-making Agility	0.66	4.15	High
Action Agility	0.65	4.08	High
<b>Overall</b>	<b>0.61</b>	<b>4.12</b>	<b>High</b>

This implies that the ISO Certified Academic Institutions are adept at promptly identifying industry changes, swiftly implementing action plans to address competitive strategy shifts, and effectively timing the introduction of new offerings to clients.

The study conducted by Shakhour, et.al (2021) found that organizational agility strategies, explicitly those that prioritize extensive sensing agility and response agility, have a substantial positive impact on organizational excellence. The sensing agility components reflect the market orientation or intelligence generation of a business. The decision-making agility refers to the ability to make decisions in line with market orientation or response design, while acting agility refers to the ability to implement market orientation or reaction.

The findings examining the connection between Transformational Leadership and Organizational Agility among Personnel in ISO Certified Academic Institutions in Region XI are shown in Table 5.1. The association was examined at the 0.05 threshold of significance, as the hypothesis indicates. With a p-value of less than .05 and an overall R-value of 0.794, the null hypothesis was rejected. It shows that Transformational Leadership and Organizational Agility are strongly correlated. More precisely, the findings demonstrate a significant link between all transformational leadership indicators and the organizational agility of ISO Certified Academic Institutions, with p-values smaller than .05. The overall R-value for articulating vision is .721, providing appropriate model is .750, High-Performance Expectations is .675, Individualized Support is .705 and for Intellectual Stimulation, it is .565. Every indicator for every variable is connected, as Table 5 demonstrates. The two variables have a positive association as a result.



Table 5.1 Significance on the Relationship between Transformational Leadership and Organizational Agility among Personnel in ISO Certified Academic Institutions in Region XI

Transformational Leadership		Organizational Agility			
		Sensing Agility	Decision-Making Agility	Action Agility	Overall
Articulating Vision	a	.662** .000	.550** .000	.732** .000	.721** .000
Providing Appropriate Model		.685** .000	.587** .000	.745** .000	.750** .000
High-Performance Expectations		.623** .000	.524** .00	.669** .000	.675** .000
Individualized Support		.642** .000	.552** .000	.704** .000	.705** .000
Intellectual Stimulation		.514** .000	.445** .000	.560** .000	.565** .000
<b>Overall</b>		<b>.726** .000</b>	<b>.618** .000</b>	<b>.792** .000</b>	<b>.794** .000</b>

A study conducted by Akkaya and Tabak (2020) provides support for the findings that suggest transformational leadership, among many leadership styles, has a significantly beneficial and influential impact on organizational agility. The study also reveals a substantial correlation between transformational leadership and organizational agility. These leaders inspire their subordinates by urging them to acquire new techniques and frameworks, which are crucial for organizations in this volatile market. Transformational leaders has the ability to make strategic decisions and demonstrate innovative capability, enabling them to effectively adapt their organizations to the ever-changing market conditions. Therefore, this is intricately connected to organizational agility.

Moreover, Tripathi and Mamta (2024) assert that the integration of transformational leadership and an adaptable human resources approach is crucial in order to optimize the advantages of a high-performance work system for attaining organizational agility. Leaders may cultivate an atmosphere that promotes employee engagement and motivation, thereby empowering their staff to stimulate innovation and cultivate an agile organization.

The findings of the evaluation of the correlation between the Readiness to Change and Organizational Agility among Personnel in ISO Certified Academic Institutions in Region XI are shown in Table 5.2. The association was examined at the 0.05 significance level, as indicated by the hypothesis. With a p-value less than .05 and an overall R-value of 0.753, the null hypothesis was found to be rejected. A strong correlation exists among ISO Certified Academic institutions employees in the Davao Region between readiness to change and organizational agility. When analyzed separately, each readiness to change indicator positively correlates to organizational agility. Emotional readiness with p-value less than .05 and R-values of. 705, Cognitive Readiness for Change had p-value less than .05 and R-values of .672 and p-value less than .05 and R-values of. 714 for Intentional Readiness for Change. Thus, there is a substantial correlation between Readiness to Change and Organizational Agility among Personnel in ISO Certified Academic Institutions in Region XI.

Some studies also indicate a high level of willingness to make big changes (Najrani, 2016) emphasizes the significance of establishing a culture that is prepared for change within organizations. Readiness for change is achieved by establishing an organization that has the ability to adapt itself in accordance with shifting market conditions. Furthermore, Vaishnavi, Suresh, and Pankaj (2019) emphasized the significance of readiness



elements in determining the successful adoption of agility in healthcare, particularly for top management. Managers will benefit from this by being able to make quick decisions. Continuously monitoring these readiness criteria will be beneficial for improving service quality and developing organizational agility.

Table 5.2 Significance on the Relationship between Readiness to Change and Organizational Agility among Personnel in ISO Certified Academic Institutions in Region XI

Readiness to Change		Organizational Agility			
		Sensing Agility	Decision-Making Agility	Action Agility	Overall
Emotional Readiness Change	for	.648** .000	.546** .000	.705** .000	.705** .000
Cognitive Readiness Change	for	.589*** .000	.541** .000	.675** .000	.672** .000
Intentional Readiness Change	for	.669** .000	.557** .000	.695** .000	.714** .000
<b>Overall</b>		<b>.686** .000</b>	<b>.592** .000</b>	<b>.747** .000</b>	<b>.753** .000</b>

Finally, the study's findings examining the association between Customer Value Orientation and Organizational Agility among Personnel in ISO Certified Academic Institutions in Region XI are shown in Table 5.3. An overall correlation coefficient of .755 was found in the data at the 0.05 significance level. It indicates that in higher education institutions, reputation, quality and value for money has substantial correlation.

Table 5.3. Significance on the Relationship between Customer Value Orientation and Organizational Agility among Personnel in ISO Certified Academic Institutions in Region XI

Customer Value Orientation		Organizational Agility			
		Sensing Agility	Decision-Making Agility	Action Agility	Overall
Quality		.685** .000	.568** .000	.727** .000	.735** .000
Value for Money		.666** .000	.545** .000	.709** .000	.713** .000
Reputation		.597** .000	.485** .000	.631** .000	.636** .000
<b>Overall</b>		<b>.706** .000</b>	<b>.579** .000</b>	<b>.749** .000</b>	<b>.755** .000</b>

More specifically, all Customer Value Orientation indicators were shown to be significant when connected with Organizational Agility; Quality had a correlation coefficient of .735, while Value for Money had a correlation coefficient of .713 and Reputation had a correlation coefficient of .636. All indicator had a p-value smaller than 05. This suggests a favorable correlation between Customer Value Orientation and Organizational Agility.

A study conducted by Juliana B., Prabowo, Alamsjah, and Hamsal (2023) demonstrated that customer orientation has a strong and positive impact on organizational agility. This implies that organizations with a greater focus on consumers are more adaptable and responsive to change. Customer orientation is crucial since it entails a corporate approach that prioritizes the customers' requirements and makes them the central focus of the company's strategic goals. Furthermore, it is widely acknowledged that adopting a customer-oriented approach is essential for ensuring the long-term viability, competitiveness, and expansion of a firm.

Significance on the Influence of Transformational Leadership, Readiness to Change and Customer Value Orientation on Organizational Agility among Personnel in ISO Certified Academic Institutions in Region XI

The variable regression analyses are shown in Table 6. Changes in organizational agility are correlated with changes in Transformational Leadership, Readiness to Change and Customer Value Orientation, as shown by regression analysis. The findings show that the model integrating the domains of transformational leadership, readiness to change and customer value orientation can explain around 66.6% of the variation in organizational agility. Every transformational leadership unit result in a .461% rise if readiness to change and customer value orientation remain constant. Similarly, the readiness to change increases by .129% for every unit of transformational leadership and customer value orientation remains unchanged. Lastly, customer value orientation unit increases by .268% when transformational leadership and readiness to change remains constant. The findings also show that transformational leadership, readiness to change and customer value orientation affects organizational agility, which leads to the rejection of the null hypothesis, which states that there is no significant relationship between exogenous and endogenous factors.

Table 6 Significance on the influence of Transformational Leadership, Readiness to Change and Customer Value Orientation on Organizational Agility among Personnel in ISO Certified Academic Institutions in Region XI

<b>Organizational Agility</b>				
(Variables)	<i>B</i>	$\beta$	<i>t</i>	<i>Sig.</i>
Constant	.232		1.674	.095
Transformational Leadership	.485	.461	7.556	.000
Readiness to Change	.135	.129	2.047	.041
Customer Value Orientation	.286	.268	4.835	.000
R	.816			
R <sup>2</sup>	.666			
$\Delta R$	.664			
F	274.441			
$\rho$	.000			

This validates the research conducted by Ahmadayan and Azizi (2020), which states that according to the findings, transformational leadership has a beneficial and substantial direct impact on organizational agility. When leaders exhibit transformative behaviors, it can result in heightened employee job engagement. Conversely, people who exhibit a high level of engagement in their work are more inclined to make valuable contributions to a business that demonstrates agility and adaptability.

In addition, according to Findrud (2020), research indicates that actors that are agile have the ability to modify and adjust themselves in response to the emerging opportunities in the market. In order to be agile, an organization must first demonstrate a readiness to adapt and change. Evidence of readiness is also apparent in the opportunity provided to frontline personnel to make suggestions.

Nurcholis (2020) highlighted that agility is greatly influenced by market orientation. Consequently, a rise in market orientation will result in a corresponding increase in agility. Small and medium-sized enterprises (SMEs) in the batik industry are able to quickly adapt to changes in demand, innovation, service, and pricing. They can respond promptly to new product launches, market expansion, and changes in competitor's product offerings. Additionally, they can establish closer relationships with suppliers, monitor product and service quality, and ensure timely delivery by effectively collecting, distributing, and responding to market information.

#### Best Fit Model of Organizational Agility

The best-fit model is evaluated using the goodness of fit indicators listed in the Methodology, as shown in Table 7. In summary, model three's Chi-Square (CMIN/DF) value was 1.093, the GFI was .988 the CFI was .999, and the NFI was .993. TLI was .999, P of Close Fit is .977, and RMSEA is .015.

When comparing model 1 and 2 to model 3, all the indices used to determine the best-fit model are within the acceptable ranges. Specifically, the chi-square/degrees of freedom value has to be less than 5, with a p-value greater than 0.05. The root mean square error approximation value should be less than 0.05. The P-close value should be higher. Additionally, the normed fit index, comparative fit index, Tucker Lewis index, and goodness of fit index should all be greater than 0.95. Without a doubt, Model 3 is better suited for the organizational agility of higher education institutions in Region XI when compared to Model 1 and 2, as it has demonstrated notable and tangible outcomes. Consequently, the no-best-fit model of the null hypothesis was rejected.

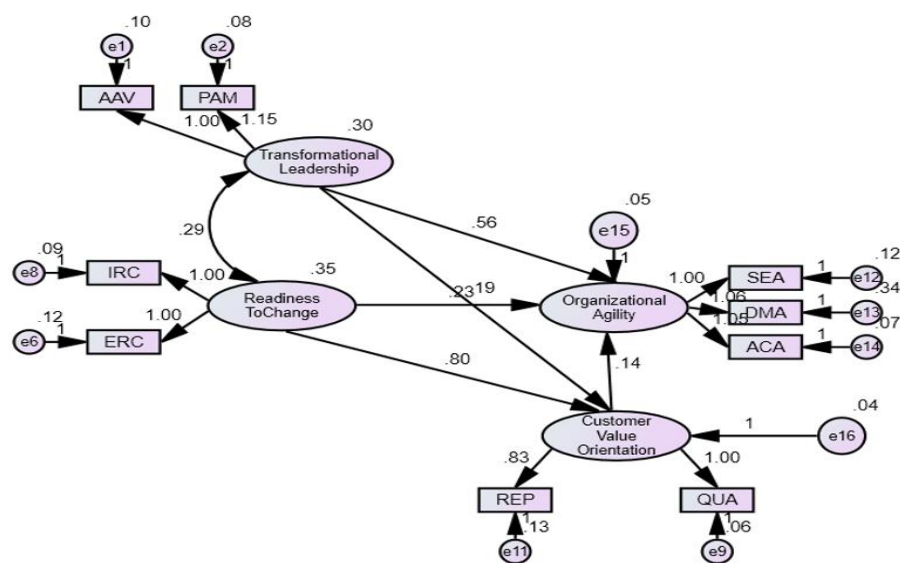
Table 7. Summary of Goodness of Fit Measures of the Three Generated Models

Mode l	P-value (>0.05)	CMIN / DF (0<value <2)	GFI (>0.95 )	CFI (>0.95)	NFI (>0.95)	TLI (>0.95)	RMSEA (<0.05)	P- close (>0.05)
1	.000	18.101	.738	.770	.761	.718	.203	.000
2	.000	2.844	.933	.976	.964	.970	.067	.006
3	.347	1.093	.988	.999	.993	.999	.015	.977

**Legend:** CMIN/DF – Chi Square/Degrees of Freedom    NFI – Normed Fit Index  
 GFI – Goodness of Fit Index    TLI – Tucker-Lewis Index  
 RMSEA – Root Mean Square of Error Approximation  
 CFI – Comparative Fit Index

Figure 2 displays the model that best fits the data as the standard solution decides. The results demonstrate that the latent factors significantly influence the organizational agility among ISO Certified Academic institutions. The model incorporates two indications of the transformative leadership (articulating a vision and providing appropriate model), two indices of readiness (intentional and emotional), and two indicators of customer value orientation (reputation and quality). In addition, the organizational agility of ISO Certified Academic institutions is determined by three intact quantifiable characteristics: sensing, decision-making and action agility. The System Modification Method may be made more evident in two ways: by validating the suggested model and by eliminating variables or factors to improve data fitness (Schreiber, Nora, Barlow, & King, 2006).

Figure 2. Best Fit Model in Organizational Agility



Legend:

AAV- Articulating A Vision	SEA – Sensing Agility
PAM – Providing Appropriate Model	DMA – Decision Making Agility
IRC – Intentional Readiness to Change	ACA – Action Agility
ERC – Emotional Readiness to Change	REP – Reputation
QUA - Quality	

The study conducted by Goldman, Nagel, and Preiss (1995) consistent with the findings that there are four dimensions of agility inside an organization: (1) delivering value to the customer, (2) readiness for change, (3) harnessing the potential of key people and information, and (4) achieving competitive advantage through cooperation. These four factors provide a beneficial framework for firms seeking to enhance their agility and performance.

Dynamic Capabilities Theory (Teece, Pisano, & Shuen, 1997) is consistent with the findings. Teece, et. Al. (1997) went on ascertaining that only having enough resources and basic capabilities might not be sufficient to survive and maintain competitive advantage: companies must have abilities to rapidly adapt those capabilities when new situations or conditions arise. This is further highlighted by (Fenech, Baguant, & Alpenidze, 2021) and explored agility at a vital level and related it to dynamic capabilities. The dynamic capabilities approach can be successfully used in rapidly changing environments. The authors argue that foundations of agility must be unmasked and agility is needed to manage uncertainty.

Only two of the five indicators of Transformational leadership were found to influence organizational agility namely: Articulating a Vision and Providing an Appropriate Model. This confirms the study of (Podsakoff, 1990) asserting that each of these behaviors has been identified as an important element of the transformational leadership process. There is a great deal of consensus among the researchers on some of these behaviors. Identifying and Articulating a Vision has been identified by virtually all of the authors as an important component of the transformational leadership process. Similarly, Facilitating the Acceptance of Group Goals and Providing an Appropriate Model were identified by at least four different authors as elements of transformational leadership.

Consequently, only two of three indicators of readiness to change were found to influence organizational agility. This confirms the study of (Podsakoff, 1990) asserting that readiness to change is conceived as a multifaceted concept that comprises a cognitive dimension of change, emotional and an intentional dimension of change. However, it is important to take note that cognitive readiness involves more of an attitude toward change in general. Whereas, emotional and intentional readiness for change is both reactions toward a specific change.

Two of three indicators, quality and reputation indicate customer value orientation agility. This study aligns with Petrick (2002) asserting that value dimensions received from the purchase of a service include the emotional response to the service are: the quality received from the service and the reputation of the service rendered. While the dimensions related to what is given include monetary and non-monetary (behavioral) price. Furthermore, in the study of (Lee, 2006) that among the five dimensions, those of emotional response, perceived service quality and reputation showed strong relationships, while monetary and behavioral price dimensions showed weak relationships, with overall perceived service value.

Lastly, organizational agility has unaltered indicators: sensing, decision-making and action agility. There was more evidence to support the idea that employees did a better job in their jobs when they thought their company could sense, make decisions, and act quickly and effectively. Sensing agility is the ability of a business to understand and keep an eye on events and changes. A key part of decision-making speed is being able to quickly look at and make sense of events in order to see what they mean for a business. It also involves looking for threats and chances and making plans for how to change the way resources are used and start using new competitive strategies. To do this, you need to collect, organize, evaluate, and synthesize important information from different sources. Acting work is a set of steps that are meant to change how a business works and rearrange its resources. In order to successfully deal with the changes happening in the surrounding environment, these actions are based on the work principles that came out of the decision-making process.

## 5. CONCLUSION AND RECOMMENDATION

Presented in this part is the conclusion based on the study's results. Transformational Leadership, Readiness to Change and Customer Value Orientation poses a very high level. While Organizational agility among ISO-certified Institutions shows a high level. There is significant relationship between these variables and Organizational Agility and a model 3 is the best-fit model for Organizational Agility among ISO Certified Academic Institutions' personnel that ascertains the influence of the exogenous variable on the endogenous variable. All variables were included in the best-fitting organizational agility model. On the other hand, some indicators of the variables are removed in the model and retained the following: Transformational Leadership as measured by indicators of Articulating A Vision and Providing Appropriate Model; Readiness to Change as measured by indicators of Intentional Readiness to Change and Emotional Readiness to Change; Customer Value Orientation as measured by indicators of Reputation and Quality and Organizational Agility as measured by indicators of Sensing, Decision-Making and Acting Agility.

Since higher education institutions has a vital role and is significantly responsible for human capital growth and development, along with economic and social reforms, this study addressed a critical issue: there is no model that encapsulate the organizational agility among ISO-Certified institutions.

Therefore, main recommendation of the study is the following:

Firstly, higher education institutions should employ the best-fit model to accurately assess the present level of agility inside their business and implement appropriate measures to effectively utilize this model. To enhance strategic competitiveness, the researcher suggests identifying and prioritizing the indicators that effectively evaluate the external and endogenous variables. The optimal model 3 emphasized Transformational Leadership, as assessed by indicators of clearly expressing a vision and setting a suitable example; willingness to adapt, as evaluated by its remaining indicators of emotional and intentional preparedness; and customer value orientation, as measured by indicators of reputation and quality that forecasted organizational agility.

Secondly, the utilization of the model will enable higher education institutions to determine solutions for improving their organizational agility. In order to prioritize Transformational Leadership, it is crucial to clearly express the vision. This can be achieved by implementing strategic planning and reinforcing the vision through annual meetings. Integrate the vision into the course syllabus, student orientations, and public communications to effectively and consistently emphasize its significance to all individuals involved. In order to ensure an effective model, it is important to establish mentorship programs where experienced faculty members are encouraged to provide guidance and support to junior professors, helping them build their skills and professional growth.

Additionally, it is advisable for Higher Education Institutions (HEIs) to prioritize the assessment of their preparation to change, particularly in terms of deliberate and emotional preparedness. Higher education institutions (HEIs) may provide faculty and staff with professional development workshops that specifically address change management. These workshops aim to prepare individuals for upcoming institutional changes. Additionally, HEIs may offer mental health support services, including counseling and stress management workshops, to assist faculty, staff, and students in managing stress related to changes.

Furthermore, in order to improve the reputation of higher education institutions (HEIs) in terms of customer value orientation, they can bolster their public relations endeavors by showcasing faculty accomplishments, student triumphs, and institutional milestones through various media platforms to increase their reputation. To enhance quality, regularly assess and develop academic programs and support services through accreditation processes and external reviews.

Also, higher education institutions (HEIs) can improve their agility and uphold their accreditation by implementing agile methodologies such as the Scrum Framework, Kanban Method, and Daily Improvement

Meetings. Furthermore, this objective might be accomplished by means of industrial advisory boards, internship programs, and collaborative research efforts.

Employees have the potential to create cross-functional teams by include personnel from different departments or specialties, such as Faculty Clubs or Employee Associations. It is imperative for employees to engage in effective communication and offer constructive feedback to the management. The presence of diversity among these teams facilitates expedited decision-making, problem-solving, and active involvement in management's crucial decision-making processes, which may necessitate substantial changes. This can foster collaboration and agility in Higher Education Institutions (HEIs). Enhance the abilities of teachers and staff to manage and adapt to changes by providing training and development opportunities.

Subsequent researchers can employ the findings of this study to investigate the influence of other variables, factors, and indicators on the organizational agility of higher education institutions (HEIs) that were not included in the present model. One may also choose to pursue their studies at a different academic institution located outside the Davao Region.

## 6. REFERENCES

- Adam, P. A. (2021). Practically best friends?! Agility and ISO 9001. IDEAS Working Paper Series from RePEc, DOI: 10.25968/opus-2092.
- Ahmadayan, Z., & Azizi, M. (2020). Structural analysis of transformational leadership relationships and organizational agility with the mediating role of job Involvement in the health system. *Applied Educational Leadership*, Vol.2(2), 81-96 .
- Akkaya, B., & Tabak, A. (2020). The Link Between Organizational Agility And Leadership: A Research In Science Parks. *Academy of Strategic Management Journal* Vol. 19, 1-17 ISSN: 1939-6104.
- Bass, B. (1985). *Leadership and performance beyond expectations*. Free Press., <https://doi.org/10.1002/hrm.3930250310>.
- Bass, B. (1999). Two decades of research and development in transformational leadership. *European Journal of Work and Organizational Psychology*, 8(1): 9-32 <https://doi.org/10.1080/135943299398410>.
- Bouckennooghe, D., Devos, G., & Van den Broeck, H. (2009). Organizational Change Questionnaire–Climate of Change, Processes, and Readiness: Development of a New Instrument. *The Journal of Psychology Interdisciplinary and Applied*, 559–599 DOI:10.1080/00223980903218216.
- Bunton, T. (2017). *Agility within higher education it organizations: a loosely coupled systems*. University of Wisconsin-Milwaukee, <https://dc.uwm.edu/etd/1451>.
- Burmansah, B., Rugaiyah, R., Mukhtar, M., Nabilah, S., Ripki, A., & Fatayan, A. (2020). Mindful Leadership: The Ability of the Leader to Develop Compassion and Attention without Judgment - A Case Study of the Leader of Buddhist Higher Education Institute. *European Journal of Educational Research*, 9(1), 51-65 DOI:10.12973/eu-jer.9.1.51.
- Burns, J. (1978). *Leadership*. New York: Harper and Row, Lexington Books.
- Chan, J., & Muthuveloo, R. (2019). Strategic Agility: Linking People And Organisational Performance Of Private Higher Learning Institutions In Malaysia. *International Journal of Business and Society*, 342-358 DOI:10.33736/ijbs.4616.2022.
- Commission on Higher Education. (2023). Retrieved from [ched.gov.ph](https://ched.gov.ph): <https://ched.gov.ph/2023-higher-education-facts-and-figures/>
- Fenech, R., Baguant, P., & Alpenidze, O. (2021). The Impact Of Dynamic Capabilities On Teaching Strategies In Higher Education. *Academy of Strategic Management Journal*, 20(2):1-13, ISSN: 1939-6104.



- Findsrud, R. (2020). An Agile Approach to Service Innovation: Creating Valuable Service Innovation with Agile Resource Integration. *Journal of Creating Value*, 6(2), 190–207 doi.org/10.1177/2394964320961886.
- Fumasoli, T. (2023). Strategic planning in higher education. Routledge., DOI:10.1007/978-94-017-9553-1\_530-1.
- Goldman, S., Nagel, R., & Preiss, K. (1995). *Agile Competitors and Virtual Organizations: Strategies for Enriching the Customer*. Van Nostrand Reinhold.
- ICOR. (2023). The International Consortium for Organizational Resilience. Retrieved October 2023
- Inquirer.Net. (2023, October). Inquirer.Net . Retrieved October 2023, from Dropout rate in universities, colleges at 35.15% in SY 2023-2024, says CHED: <https://newsinfo.inquirer.net/1839954/dropout-rate-in-universities-colleges-at-35-15-in-sy-2023-2024-says-ched>
- Jaworski, B. &. (1993). Market Orientation: Antecedents and Consequences. *Journal of Marketing*, 57(3), , 52-70. doi.org/10.1177/002224299305700304.
- Juliana, B. M., Prabowo, H., Alamsjah, F., & Hamsal, M. (2023). Building Organizational Resilience by developing Customers Orientation, Digital Adoption and Organizational Agility: An Empirical Study in The Indonesian Banking Industry. *Access is Success Bucharest*, 75-83.
- Juliana, B., Prabowo, H., Alamsjah, F., & Hamsal, M. (2023). Building Organizational Resilience by developing Customers Orientation, Digital Adoption and Organizational Agility: An Empirical Study in The Indonesian Banking Industry. *Access la Success*, 75-83 DOI:10.1109/IATMSI60426.2024.10502857.
- Kale, E., Aknar, A., & Basar, O. (2019). Absorptive capacity and firm performance: the mediating. *International Journal of Hospitality Management* Vol. 78, 276-283 <https://www.sciencedirect.com/science/article/abs/pii/S0278431918300896>.
- Lee, S. Y. (2006). A CONCEPTUAL MODEL OF THE ROLES OF PRICE, QUALITY, AND INTERMEDIARY CONSTRUCTS IN DETERMINING BEHAVIORAL INTENTION TO VISIT A FESTIVAL. Texas A&M University, <https://hdl.handle.net/1969.1/3954>.
- Lewin, K. (1936). *Principles of topological psychology*. New York: McGraw-Hill.
- M, V. V., & Pankaj Dutta. (2019). Modelling the readiness factors for agility in healthcare organization: a TISM Approach. *Benchmarking: An International Journal*, 1463-5771.
- Madhani, P. (2010). Resource Based View (RBV) of Competitive Advantage: An Overview.
- Mandane-Garcia, V., & Jamias, S. (2023). Stakeholders' Concept of Quality Assurance in Higher Education. *The International Journal of Educational Organization and Leadership*, Vol. 30, Iss. 1, 29-42 DOI:10.18848/2329-1656/CGP/v30i01/29-42.
- Manurung, A. H., & Kurniawan, R. (2022). Organizational agility: do agile project management and networking capability require market orientation? *International Journal of Managing Projects in Business* Vol. 15, 1-35 <https://www.proquest.com/docview/2618821230/94C3868EFAE34BFCPQ>.
- Menon, S., & Suresh, M. (2021). Enablers of workforce agility in engineering educational institutions. *Journal of Applied Research in Higher Education* Vol. 13, 504-539 <https://www.proquest.com/docview/2567831441/628F7FD8FC3D4FF3PQ/>.
- Menon, S., & Suresh, M. (2021). Factors influencing organizational agility in higher education. Emerald Publishing Limited, 307-332 <https://www.proquest.com/docview/2534583308/AD60F1D2AA074521PQ>.
- Nafei, W. A. (2016). Organizational Agility: The Key to Organizational Success. *International Journal of Business and Management*, 11(5), 296 DOI:10.5539/ijbm.v11n5p296.
- Najrani, M. (2016). The effect of change capability, learning capability and shared leadership on organizational agility. *Pepperdine University ProQuest Dissertations Publishing*, Vol. 30, Iss. 1, 29-42. DOI:10.18848/2329-1656/CGP/v30i01/29-42.

- Nasution, H., & Mavondo, F. (2008). Organisational capabilities: antecedents and implications for customer value. *European Journal of Marketing*, pp. 477-501  
<https://www.proquest.com/docview/2439154667/2F67865A880C487FPQ>.
- Nurcholis, L. (2020). The mediating effect of agility at relationship between market orientation and marketing performance. *Jurnal Manajemen dan Pemasaran Jasa*, Vol. 13 No. 1, 65-78  
 DOI:10.25105/jmpj.v13i1.5835.
- Pavlou, P., & El Sawy, O. (2006). From IT Leveraging Competence to Competitive Advantage in Turbulent Environments: the Case of New Product Development. *Information Systems Research*, 198-227
- Petrack, J. F. (2002). Development of a multi-dimensional scale for measuring the perceived value of a service. *Journal of Leisure Research*, Vol. 34, Iss. 2., 119-134. DOI:10.1080/00222216.2002.11949965.
- Podsakoff, e. a. (1990). Transformational leaders behaviors and their effects on followers' trust in leader, satisfaction and organizational citizenship behaviour. *Leadership Quarterly*, 107-142  
[doi.org/10.1016/1048-9843\(90\)90009-7](https://doi.org/10.1016/1048-9843(90)90009-7)
- Prieto, L., & Talukder, M. (2023). Resilient Agility: A Necessary Condition for Employee and Organizational Sustainability. *MDPI*, 1-24 <https://www.proquest.com/docview/2767298236/EDB6D4CD2FEC4424PQ/>.
- Report, F. S. (2024). Philippines Education & Labour Report. London : Fitch Solutions Country Industry Reports.
- Ruiz, A. J., & Junio-Sabio, C. (2012). Quality Assurance in Higher Education in the Philippines. *Asian Journal of Distance Education*, 10(2), 63 - 70 ISSN 1347-9008.
- Santos, V. M. (2023). Organizational Agility and Instructional Technology Skills amidst the Pandemic at State Universities and Colleges in the Philippines. *Rivista Italiana di Filosofia Analitica Junior*, Vol 14, No. 2, ISSN: 2037-4445.
- Shakhour, N., Obeidat, B., Jaradat, M., & Alshurideh, M. (2021). Agile-minded organizational excellence: Empirical Investigation. *Academy of Strategic Management Journal*, 20(6), 1-25 .
- Tan, E. A. (2011). What's wrong with the Philippine higher education? *The Philippine Review of Economics*, 48(1), 147-184 .
- Teece, D., Pisano, G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal* Vol. 18, 508-533 [https://onlinelibrary.wiley.com/doi/10.1002/\(SICI\)1097-0266\(199708\)18:7%3C509::AID-SMJ882%3E3.0.CO;2-Z](https://onlinelibrary.wiley.com/doi/10.1002/(SICI)1097-0266(199708)18:7%3C509::AID-SMJ882%3E3.0.CO;2-Z).
- Thani, F., Mazari, E., Asadi, S., & Mashayekhikhi, M. (2020). The impact of self-development on the tendency toward organizational innovation in higher education institutions with the mediating role of human resource agility. *Journal of Applied Research in Higher Education*, 2050-7003  
 DOI:10.1108/JARHE-05-2020-0151
- The World Bank. (2024). Retrieved from [https://data.worldbank.org/indicator/SE.TER.ENRR?end=2022&name\\_desc=false&start=2022&type=shaded&view=map](https://data.worldbank.org/indicator/SE.TER.ENRR?end=2022&name_desc=false&start=2022&type=shaded&view=map)
- Thien, L. M. (2019). Distributive Leadership Functions, Readiness for Change, and Teachers' Affective Commitment to Change: A Partial Least Squares Analysis. *Sage Journal*, 9(2),  
[doi.org/10.1177/2158244019846209](https://doi.org/10.1177/2158244019846209).
- Tibon, V. (2022). Organizational Agility Among Selected SMEs in the Philippines during the Covid-19 Pandemic: Genesis and Implications. *Review of Integrative Business and Economics Research*, 11, 253-259. .
- Tripathi, D., & Mamta, T. (2024). Bridging the Gap Between High-Performance Work System and Organizational Performance: Role of Organizational Agility, Transformational Leadership, and Human Resource Flexibility. *Global Journal of Flexible Systems Management*, 25, 369-393  
[doi.org/10.1007/s40171-024-00395-y](https://doi.org/10.1007/s40171-024-00395-y).

- UNESCO. (2020). UNESCO. Retrieved 2023, from UNESCO Rallies International Organizations, Civil Society and Private Sector Partners in a Broad Coalition to Ensure: <https://en.unesco.org/news/unesco-rallies-international-organizations-civil-society-and-private-sector-partners-broad>
- United Nations. (2023, October). United Nations. Retrieved October 7, 2023, from United Nations: Department of Economic and Social Affairs: <https://sdgs.un.org/goals/goal4>
- Vaishnavi, V., Suresh, M., & Pankaj, D. (2019). Modelling the readiness factors for agility in healthcare organization: a TISM approach. Emerald Publishing Limited, pp. 2372-2400 ISSN: 1463-5771.
- Weiner, B. J. (2009). A theory of organizational readiness for change. BioMed Central Ltd., 4(67)
- Woodruff, R. (1997). Customer Value: The Next Source for Competitive Advantage. Journal of the Academy of Marketing Science Vol. 25, No. 2, 139-153.
- Woodruff, R. B. (1997). Customer Value: The Next Source for Competitive Advantage. Journal of the Academy of Marketing Science, 139-153.