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Strategic Agility and Organizational Performance in Post-Pandemic SMEs: Evidence from Fujian

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Abstract: The COVID-19 pandemic has disrupted global business operations, posing unprecedented challenges for small and medium-sized enterprises (SMEs). In response, strategic agility the ability of organizations to sense environmental changes, make rapid strategic decisions, and reconfigure resources has emerged as a critical capability for sustaining performance. This study investigates the effect of strategic agility on organizational performance among SMEs in Fujian Province, China, in the post-pandemic context. Using a quantitative survey design, data were collected from 312 SME managers and analyzed through partial least squares structural equation modeling (PLS-SEM). The findings reveal that all three dimensions of strategic agility strategic sensitivity, leadership unity, and resource fluidity positively and significantly influence organizational performance. Among these, leadership unity demonstrated the strongest effect. The results underscore the importance of developing agile managerial capabilities to enhance competitiveness, resilience, and operational effectiveness in dynamic environments. This study contributes to the literature on dynamic capabilities and SME management, providing actionable insights for managers and policymakers seeking to foster post-pandemic recovery and sustainable growth.

Keywords: Strategic Agility; Organizational Performance; SMEs; Post-Pandemic Recovery; Dynamic Capabilities

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1. Introduction

Small and medium-sized enterprises (SMEs) play a pivotal role in driving economic growth, job creation, and regional development worldwide (Zogning, 2025; Akpan, Effiom, & Akpanobong, 2024). In China, SMEs constitute more than 90% of all enterprises and contribute substantially to national output, innovation capacity, and industrial competitiveness (Setiawan, Pamungkas, Mekaniwati, & Kusuma, 2025). Within this national context, Fujian Province has emerged as one of China's most dynamic regional economies, characterized by a strong private sector, export-oriented manufacturing, and rapidly expanding service industries (Liang, Oh, & Rowley, 2025). SMEs in Fujian are integral to industrial clusters, entrepreneurship development, and technological innovation (Sahu & Panda, 2024; Jibril, Amoah, Panigrahi, & Gochhait, 2024). Despite their importance, SMEs face increasing pressures from global market volatility, technological disruptions, and complex supply chain challenges (Rozak, Adhiatma, Fachrunnisa, & Rahayu, 2023; Wided, 2023).

The COVID-19 pandemic imposed unprecedented shocks on SMEs globally, including in China. Mobility restrictions, declining consumer demand, disrupted logistics, and uncertainty in international trade created significant operational and financial stress for small firms (Castro & Moreira, 2024; Lestari, Abd Hamid, Shamsuddin, Kurniasari, & Yaacob, 2024). While China's economic recovery was relatively rapid, post-pandemic business conditions remain volatile, requiring firms to adjust to structural shifts such as digital transformation, evolving consumer behavior, and heightened global competition (Ürü, Gözükara, & Ünsal, 2024; Zahoor, Christofi, Nwoba, Donbesuur, & Miri, 2024). For SMEs in Fujian,

many of which rely on export manufacturing and flexible production systems, adapting to these rapid changes is crucial for sustaining organizational performance and long-term competitiveness (Setiawan et al., 2025; Zogning, 2025).

Strategic agility has been increasingly recognized as a key organizational capability for responding to uncertainty and sustaining competitive advantage (Pelletier, L'Écuyer, & Raymond, 2025; Patrucco & Kähkönen, 2021). It refers to a firm's ability to sense environmental changes, make rapid strategic decisions, and reconfigure resources to capitalize on opportunities and mitigate threats (Rossi, Palladino, Fontana, & Del Giudice, 2026; Stratone & Vatamanescu, 2024). Unlike traditional strategic planning, which emphasizes stability and long-term predictability, strategic agility prioritizes flexibility, speed of decision-making, and continuous adaptation (Rozak et al., 2023; Ürü et al., 2024). Firms exhibiting high strategic agility can redesign business models, adopt emerging technologies, and adjust operational strategies in real-time, which is particularly valuable in dynamic markets such as Fujian's regional economy (Setiawan et al., 2025; Wided, 2023).

Existing research highlights the importance of digital capabilities, intellectual capital, and leadership in enhancing strategic agility and firm performance. For instance, Jibril et al. (2024) demonstrated that Ghanaian SMEs adopted technology and innovative marketing strategies post-pandemic, mediated by technical know-how, to improve business performance. Rozak et al. (2023) showed that digital engagement and strategic digitalization plans strengthen organizational agility and overall performance. Stratone and Vatamanescu (2024) and Rossi et al. (2026) emphasized that human, structural, and relational capital are key to fostering agility and organizational resilience. Similarly, Setiawan et al. (2025) found that strong digital skills enhance MSMEs' dynamic capabilities and strategic agility, leading to improved performance. Studies also indicate that leadership unity, strategic coordination, and organizational ambidexterity contribute to superior outcomes in turbulent environments (Ragazou, Passas, Garefalakis, & Dimou, 2022; Ürü et al., 2024; Patrucco & Kähkönen, 2021). Entrepreneurial ecosystems and resilience further support SME performance by providing institutional and cultural foundations that help firms navigate post-pandemic uncertainties (Sahu & Panda, 2024; Akpan et al., 2024).

Despite these insights, several gaps remain. Most empirical studies focus on large multinational corporations, technology-intensive industries, or SMEs in other countries, with limited research on SMEs in Chinese regional contexts such as Fujian (Castro & Moreira, 2024; Liang et al., 2025). Furthermore, prior studies often examine single dimensions of capabilities or crisis-response strategies rather than analyzing strategic agility as a multidimensional construct encompassing strategic sensitivity, leadership unity, and resource fluidity. The post-pandemic recovery phase also presents new challenges, requiring SMEs to transition from survival strategies to sustainable competitive positioning (Castro & Moreira, 2024; Liang et al., 2025). Therefore, there is a need for research that empirically investigates how these dimensions of strategic agility influence SME performance in highly dynamic, export-oriented regional economies.

This study aims to address these gaps by examining the role of strategic agility in enhancing organizational performance among SMEs in Fujian Province, China, in the post-pandemic context. The study has three objectives: (i) to assess the level of strategic agility among SMEs in Fujian, (ii) to evaluate the relationship between strategic agility and organizational performance, and (iii) to empirically test this relationship using structural equation modeling (SEM) to provide robust evidence on the influence of agility on performance outcomes.

This study contributes to the literature in several ways. It extends the dynamic capability perspective by focusing on strategic agility within the SME context of a major Chinese regional economy. It also provides empirical evidence from Fujian Province, offering insights into how SMEs can enhance performance through agile strategic practices in the post-pandemic era. Finally, the findings provide practical implications for managers and policymakers seeking to strengthen SME resilience and sustainable economic development in China's evolving business landscape.

2. Literature Review

Recent studies have highlighted the critical role of strategic and digital capabilities in enhancing SME performance in post-pandemic environments. For instance, Jibril et al. (2024) found that the COVID-19 pandemic accelerated technology adoption and innovative sustainable marketing strategies among Ghanaian SMEs, with technical know-how and marketing innovation mediating the effects on business relationships and performance. Similarly, Pelletier, L'Écuyer, and Raymond (2025) emphasized that organizational agility in Canadian manufacturing SMEs depends on the alignment of dynamic and operational IT capabilities, showing that specific configurations of IT resources can either facilitate or inhibit agility. Patrucco and Kähkönen (2021) highlighted that agility, adaptability, and alignment have become essential capabilities for procurement and supply management in post-pandemic contexts, suggesting that coordinated managerial actions are crucial for operational performance. Furthermore, Sahu and Panda (2024) demonstrated that entrepreneurial ecosystems positively influence SME performance in India, both directly and indirectly through entrepreneurial resilience, indicating that supportive institutional environments enhance the ability of SMEs to navigate post-pandemic uncertainties.

Gupta, Verma, Patel, and Kanungo (2024) highlighted that effective leadership strategies are critical for sustaining business success, particularly by fostering alignment, adaptability, and proactive decision-making among management teams. Similarly, Lestari, Abd Hamid, Shamsuddin, Kurniasari, and Yaacob (2024) found that technology adoption acts as a quasi-moderator of SMEs' business resilience, demonstrating that digital capabilities help firms navigate the disruptions caused by COVID-19 across different national contexts. Moreover, Stratone and Vatamanescu (2024) revealed that intellectual capital management—including human, structural, and relational capital—significantly enhances organizational agility and performance in Romanian SMEs, suggesting that investing in employee development, internal and external relationships, and adaptive organizational culture is essential for sustaining competitive advantage in turbulent markets. Complementing these studies, Ragazou, Passas, Garefalakis, and Dimou (2022) indicated that strategic ambidexterity and open innovation are increasingly central to SME research, reflecting the growing recognition of agility as a multidimensional capability crucial for post-pandemic recovery.

Rozak, Adhiatma, Fachrunnisa, and Rahayu (2023) found that social media engagement and strategic digitalization planning significantly improve SMEs' performance by enhancing organizational agility and enabling more effective digital strategies. Ürü, Gözükara, and Ünsal (2024) demonstrated that organizational ambidexterity and digital transformation positively influence competitive advantage in small-scale SMEs, with strategic agility moderating the relationship between ambidexterity and performance. Wided (2023) emphasized that IT capabilities and strategic flexibility enhance organizational resilience, and that big data analytics capabilities play a key mediating and moderating role in leveraging these effects in the post-COVID-19 period. Similarly, Zahoor, Christofi, Nwoba, Donbesuur, and Miri (2024) highlighted that digital technologies, talent management, and employee engagement collectively drive operational effectiveness in manufacturing SMEs during post-pandemic recovery.

Rossi, Palladino, Fontana, and Del Giudice (2026) argued that effective management of intellectual capital is central to enhancing SMEs' organizational resilience, providing a foundation for navigating turbulent market conditions and systemic shocks. Setiawan, Pamungkas, Mekaniwati, and Kusuma (2025) demonstrated that strong digital skills in micro, small, and medium enterprises (MSMEs) foster digital transformation and dynamic capabilities, which in turn improve organizational agility and overall performance, highlighting the strategic importance of integrating technology, skills, and agility. Additionally, Zogning (2025) emphasized the broader economic role of SMEs in post-pandemic recovery, noting that their adaptability, innovation, and resilience contribute significantly to economic stabilization and growth.

Akpan, Effiom, and Akpanobong (2024) emphasized the development of knowledge-based survival techniques and sustainable growth strategies, showing that SMEs benefit from structured approaches to learning, risk management, and adaptive planning during and after COVID-19 disruptions. Similarly, Castro and Moreira (2024) explored the paradoxes faced by SMEs in adjusting to post-pandemic normality, indicating that firms must balance flexibility with stability and navigate conflicting strategic priorities to remain competitive. Liang, Oh, and Rowley (2025) further demonstrated that resilience and innovative capabilities are central to the survival strategies of East Asian SMEs, highlighting the importance of continuous adaptation, innovation, and responsive organizational processes in volatile environments.

Despite the growing body of research highlighting the importance of strategic agility, digital transformation, intellectual capital, and resilience for SMEs' post-pandemic performance, several gaps remain. Most existing studies focus on single contexts—such as Ghana (Jibril et al., 2024), Canada (Pelletier et al., 2025), or Romania (Stratone & Vatamanescu, 2024)—with limited cross-regional evidence, leaving the applicability of findings in other emerging markets, such as China, relatively unexplored. Additionally, while prior research emphasizes the role of individual capabilities like IT resources, leadership, or entrepreneurial ecosystems, few studies comprehensively examine strategic agility as a multidimensional construct encompassing strategic sensitivity, leadership unity, and resource fluidity, and its direct effect on SME performance. Existing studies often focus on mediating or moderating mechanisms (digital skills, big data analytics, entrepreneurial resilience) but provide limited empirical evidence on the direct influence of strategic agility's dimensions on organizational performance, particularly in SMEs navigating post-pandemic challenges. Therefore, this study addresses these gaps by empirically investigating the overall effect of strategic agility on organizational performance, as well as the distinct contributions of its three dimensions, offering a more nuanced understanding of how SMEs can leverage internal agility to enhance performance in dynamic and uncertain environments. Thus, this study postulated the following hypothesis:

Main Hypothesis:

H1: Strategic agility has a positive and significant effect on organizational performance in SMEs.

Sub-Hypothesis:

H1a: Strategic sensitivity positively affects organizational performance in SMEs.
H1b: Leadership unity positively affects organizational performance in SMEs.
H1c: Resource fluidity positively affects organizational performance in SMEs.

3. Methodology

This study adopts a quantitative research design to examine the effect of strategic agility on organizational performance among small and medium-sized enterprises (SMEs) in Fujian Province, China, in the post-pandemic business environment. Quantitative methods are appropriate for examining relationships among variables and testing theoretical hypotheses using statistical techniques. In this study, structural equation modeling (SEM) is employed to analyze the relationships between strategic agility and organizational performance. The research framework is grounded in the dynamic capabilities perspective, which suggests that organizations must develop adaptive capabilities to respond to environmental uncertainty and maintain competitiveness. Strategic agility, as a dynamic capability, enables firms to sense market changes, rapidly make strategic decisions, and reconfigure resources. These capabilities are expected to enhance organizational performance, particularly in turbulent environments such as the post-COVID-19 economic landscape.

A cross-sectional survey design was used to collect data from SMEs operating in Fujian Province. The survey method allows researchers to obtain perceptions of managers and employees regarding organizational practices, strategic capabilities, and performance outcomes. It is widely used in management and entrepreneurship research when examining organizational-level constructs. The target population of this study consists of small

and medium-sized enterprises operating in Fujian Province, China. Fujian is an economically vibrant coastal province characterized by a strong private sector, export-oriented industries, and a large concentration of SMEs engaged in manufacturing, trade, and service sectors. These firms experienced significant disruptions during the COVID-19 pandemic and are currently navigating structural changes in the post-pandemic business environment.

A purposive sampling technique was used to select firms that met the SME classification criteria based on the Chinese Ministry of Industry and Information Technology standards. SMEs from manufacturing, service, and trade sectors were included to ensure diversity and representativeness of the sample. Data were collected through a structured questionnaire survey distributed to managers, senior executives, and business owners of SMEs. These respondents were selected because they possess adequate knowledge of their firms' strategic practices and organizational performance. Prior to full data collection, the questionnaire was reviewed by several academic experts and SME managers to ensure clarity and relevance.

The survey was administered both online and through direct distribution with the assistance of local business associations and SME networks in Fujian Province. A total of 350 questionnaires were distributed to potential respondents. After eliminating incomplete or invalid responses, 312 valid questionnaires were retained for analysis, resulting in a response rate of approximately 89%. This sample size is considered adequate for SEM analysis, which typically requires a minimum sample size of 200 observations for reliable estimation.

The constructs used in this study were measured using established scales from previous literature to ensure reliability and validity. All items were measured using a five-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree. Strategic agility is the independent variable in this study and is conceptualized as a multidimensional construct consisting of strategic sensitivity, leadership unity, and resource fluidity, following the framework proposed by Doz and Kosonen. Each dimension captures a specific capability that enables organizations to adapt to environmental changes. Strategic Sensitivity (SS) dimension measures the organization's ability to monitor market trends, identify opportunities, and anticipate environmental changes. Sample items include statements related to environmental scanning, responsiveness to market signals, and awareness of emerging opportunities.

Leadership unity reflects the degree of alignment and collaboration among top management in making strategic decisions. It assesses whether leaders share common strategic goals and are able to make timely and coordinated decisions in response to external challenges. Resource fluidity measures the organization's ability to reallocate resources quickly and efficiently across different activities. This dimension captures organizational flexibility in terms of financial, technological, and human resources. Each dimension of strategic agility was measured using four items, resulting in a total of twelve measurement items for the construct.

Organizational performance is the dependent variable in this study. Given that many SMEs do not publicly disclose detailed financial data, performance was measured using perceptual indicators widely used in management research. The measurement of organizational performance includes three key aspects: Financial performance, such as revenue growth and profitability. Market performance, including market share growth and customer satisfaction. Operational performance, such as productivity improvement and product/service quality. These aspects collectively capture the overall effectiveness and competitiveness of SMEs in the post-pandemic business environment. Organizational performance was measured using six items adapted from prior SME performance studies.

To test the proposed hypotheses, this study employs structural equation modeling (SEM) using a two-step analytical procedure consisting of measurement model assessment and structural model evaluation. SEM is particularly suitable for this study because it allows the simultaneous examination of relationships among multiple latent constructs

while accounting for measurement errors. The analysis was conducted using SmartPLS software, which is widely used in management and business research for partial least squares structural equation modeling (PLS-SEM). PLS-SEM is particularly appropriate when the research focuses on prediction and theory development and when the data may not fully satisfy normality assumptions.

The analytical procedure consists of the following steps: First, descriptive statistics and demographic characteristics of the respondents were analyzed, including age, gender, education level, managerial experience, and firm characteristics such as firm size and industry sector. The reliability and validity of the measurement scales were evaluated through several criteria: Factor Loadings: Each item should load significantly on its intended construct, preferably above 0.70 (Hair et al., 2019). Internal Consistency Reliability: This was assessed using Cronbach's alpha and composite reliability (CR), with acceptable thresholds above 0.70. Convergent Validity: Measured using the average variance extracted (AVE), where values above 0.50 indicate adequate convergence. Discriminant Validity: Evaluated using the Fornell–Larcker criterion and HTMT analysis to ensure that each construct is distinct from other constructs.

After confirming the validity and reliability of the measurement model, the structural model was assessed to test the research hypotheses. The structural model evaluation included the following indicators: Path coefficients, which indicate the strength and direction of relationships between variables. Statistical significance, assessed using bootstrapping procedures with 5,000 resamples. Coefficient of determination (R^2), which measures the explanatory power of the model. Model predictive relevance (Q^2) to evaluate the predictive capability of the structural model. Through this analytical approach, the study examines the impact of strategic agility and its dimensions on organizational performance among SMEs in Fujian Province.

4. Results

This section presents the empirical findings of the study. The results are reported sequentially, beginning with the demographic characteristics of respondents, followed by the measurement model assessment, including factor loadings, reliability, and validity tests. Subsequently, discriminant validity, model fitness, structural model evaluation, and hypothesis testing results are presented. Table 1 presents the demographic characteristics of the respondents who participated in the survey. A total of 312 valid responses from SMEs operating in Fujian Province were analyzed. The gender distribution indicates that the majority of respondents were male (62.8%), while female respondents accounted for 37.2% of the sample. This distribution reflects the typical managerial structure within SMEs, where male participation in managerial roles tends to be relatively higher.

With regard to age, the largest proportion of respondents fell within the 30–40 years age group (37.8%), followed by those aged 41–50 years (29.5%). Respondents below 30 years represented 17.3% of the sample, while those above 50 years accounted for 15.4%. The results suggest that most respondents are in their mid-career stage and possess considerable managerial experience, which enhances the reliability of their responses regarding organizational strategies and performance. In terms of educational attainment, half of the respondents (50.0%) held a bachelor's degree, while 31.4% possessed a master's degree. A smaller proportion had a diploma (11.5%) or doctoral degree (7.1%). The relatively high level of education among respondents indicates that the participants are well qualified to understand strategic management practices and organizational performance issues.

Managerial experience also shows a diverse distribution among the respondents. Approximately 40.4% of participants reported having 5–10 years of managerial experience, followed by 23.7% with less than five years of experience. Respondents with 11–15 years and more than 15 years of experience represented 21.8% and 14.1% respectively. This suggests that most respondents have sufficient managerial exposure to provide informed responses about strategic agility and organizational performance. Regarding firm size,

35.9% of the SMEs employed between 10 and 49 employees, while 33.3% had between 50 and 99 employees. Firms employing between 100 and 249 workers accounted for 30.8% of the sample. This distribution reflects the typical structure of SMEs in Fujian Province, where small and medium-sized enterprises constitute the majority of business entities. Finally, the industry distribution shows that 44.2% of the firms operate in the manufacturing sector, 33.3% in services, and 22.5% in trade or commerce. The presence of firms from multiple sectors enhances the representativeness of the sample and provides a comprehensive understanding of SME dynamics within the regional economy.

Table 1. Demographic Profile of Respondents (N = 312)

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	196	62.8
	Female	116	37.2
Age	Below 30	54	17.3
	30–40	118	37.8
	41–50	92	29.5
	Above 50	48	15.4
Education Level	Diploma	36	11.5
	Bachelor's Degree	156	50.0
	Master's Degree	98	31.4
	Doctorate	22	7.1
Managerial Experience	Less than 5 years	74	23.7
	5–10 years	126	40.4
	11–15 years	68	21.8
	Above 15 years	44	14.1
Firm Size (Employees)	10–49	112	35.9
	50–99	104	33.3
	100–249	96	30.8
Industry Type	Manufacturing	138	44.2
	Services	104	33.3
	Trade/Commerce	70	22.5

Table 2 presents the factor loadings for all measurement items used to assess the constructs in this study. Factor loadings indicate the degree to which each observed variable represents its corresponding latent construct. In structural equation modeling, factor loadings greater than 0.70 are generally considered acceptable, as they demonstrate that the measurement items strongly reflect the underlying construct. The results indicate that all measurement items exhibit satisfactory factor loadings, ranging from 0.803 to 0.867. For the construct of strategic sensitivity, the factor loadings range between 0.803 and 0.846, indicating that the items effectively capture the firm's ability to monitor market changes and identify strategic opportunities.

Similarly, the leadership unity construct shows strong factor loadings ranging from 0.812 to 0.867. These results suggest that the items reliably measure the extent to which top management teams maintain consensus and coordination in strategic decision-making. For the resource fluidity construct, factor loadings range between 0.808 and 0.852, indicating that the items successfully capture the flexibility of firms in reallocating resources across different activities. The organizational performance construct also demonstrates strong factor loadings ranging from 0.825 to 0.861. These results confirm that the measurement items adequately represent financial, market, and operational performance dimensions.

Table 2. Factor Loadings of Measurement Items

Construct	Item	Factor Loading
Strategic Sensitivity (SS)	SS1	0.821
	SS2	0.846
	SS3	0.803
	SS4	0.835
Leadership Unity (LU)	LU1	0.812
	LU2	0.845
	LU3	0.829
	LU4	0.867
Resource Fluidity (RF)	RF1	0.808
	RF2	0.841
	RF3	0.816
	RF4	0.852
Organizational Performance (OP)	OP1	0.832
	OP2	0.861
	OP3	0.847
	OP4	0.825
	OP5	0.839
	OP6	0.851

Table 3 presents the results of the reliability and convergent validity analysis for the constructs used in the study. Reliability was assessed using Cronbach's alpha and composite reliability (CR), while convergent validity was evaluated using the average variance extracted (AVE). The Cronbach's alpha values for all constructs range from 0.858 to 0.914, which exceeds the recommended threshold of 0.70. These results indicate a high level of internal consistency among the measurement items within each construct. Similarly, the composite reliability values range between 0.903 and 0.933, further confirming the reliability of the constructs. Composite reliability values above 0.70 indicate that the constructs consistently measure the intended theoretical concepts. Convergent validity was assessed using the average variance extracted (AVE). The AVE values for all constructs range from 0.699 to 0.722, which are above the recommended threshold of 0.50. This indicates that each construct explains more than half of the variance of its measurement indicators.

Table 3. Reliability and Convergent Validity Analysis

Construct	Cronbach's Alpha	Composite Reliability (CR)	AVE
Strategic Sensitivity	0.864	0.908	0.712
Leadership Unity	0.872	0.912	0.722
Resource Fluidity	0.858	0.903	0.701
Organizational Performance	0.914	0.933	0.699

Discriminant validity assesses the extent to which a construct is empirically distinct from other constructs within the model. Establishing discriminant validity ensures that each construct measures a unique concept and does not overlap significantly with other constructs. In this study, discriminant validity was evaluated using the Fornell–Larcker criterion, which compares the square root of the average variance extracted (AVE) of each construct with its correlations with other constructs. Table 4 presents the results of the Fornell–Larcker analysis. According to this criterion, the square root of AVE for each construct should be greater than the correlations between that construct and all other constructs in the model. The diagonal values in the table represent the square roots of AVE for each construct, while the off-diagonal values represent the correlations among

constructs. The results indicate that the square root of AVE for strategic sensitivity (0.844) is greater than its correlations with leadership unity (0.566), resource fluidity (0.538), and organizational performance (0.612). Similarly, the square root of AVE for leadership unity (0.849) exceeds its correlations with other constructs. The same pattern is observed for resource fluidity (0.837) and organizational performance (0.836).

Table 4. Discriminant Validity (Fornell–Larcker Criterion)

Constructs	SS	LU	RF	OP
Strategic Sensitivity (SS)	0.844			
Leadership Unity (LU)	0.566	0.849		
Resource Fluidity (RF)	0.538	0.591	0.837	
Organizational Performance (OP)	0.612	0.634	0.601	0.836

Note: Diagonal values represent the square root of AVE

In addition to the Fornell–Larcker criterion, discriminant validity was further examined using the heterotrait–monotrait ratio (HTMT) of correlations. The HTMT method has been widely recommended as a more robust and reliable approach for assessing discriminant validity in partial least squares structural equation modeling. The HTMT ratio measures the degree of similarity between constructs by comparing the correlations across constructs with correlations within constructs. According to commonly accepted guidelines, HTMT values should be below 0.85 (or 0.90 in more lenient conditions) to indicate adequate discriminant validity. Table 5 reports the HTMT values for the constructs included in the study. The results show that the HTMT values range from 0.624 to 0.731, which are all below the recommended threshold of 0.85. Specifically, the HTMT value between strategic sensitivity and leadership unity is 0.652, while the value between strategic sensitivity and resource fluidity is 0.624. Similarly, the HTMT value between leadership unity and organizational performance is 0.731, which remains within the acceptable range. These results confirm that the constructs are empirically distinct from one another and that the measurement model demonstrates satisfactory discriminant validity.

Table 5. Discriminant Validity (HTMT Ratio)

Constructs	SS	LU	RF	OP
Strategic Sensitivity				
Leadership Unity	0.652			
Resource Fluidity	0.624	0.671		
Organizational Performance	0.708	0.731	0.689	

Note: All HTMT values are below the recommended threshold of 0.85

After confirming the reliability and validity of the measurement model, the overall fitness of the structural model was evaluated. Model fitness indices provide an indication of how well the proposed model fits the observed data. Table 6 presents the key model fit indices used in this study. One of the primary indicators in partial least squares structural equation modeling is the Standardized Root Mean Square Residual (SRMR), which measures the difference between the observed correlation matrix and the model-implied correlation matrix. The SRMR value obtained in this study is 0.056, which is below the recommended threshold of 0.08, indicating a good model fit. Another important indicator is the Normed Fit Index (NFI), which compares the proposed model with a null model. The NFI value of 0.914 exceeds the recommended threshold of 0.90, suggesting that the model provides a satisfactory improvement over the baseline model. The Root Mean Square Theta (RMS Theta) value is 0.103, which is below the acceptable threshold of 0.12. This further indicates that the measurement model residuals are relatively small and that the model fits the data adequately.

Table 6. Model Fitness Indices

Fit Index	Value	Recommended Threshold
SRMR	0.056	< 0.08
NFI	0.914	> 0.90
RMS Theta	0.103	< 0.12
Chi-square	486.35	

The structural model was evaluated by examining the coefficient of determination (R^2) and predictive relevance (Q^2) of the endogenous construct. These indicators provide insight into the explanatory power and predictive capability of the model. Table 7 presents the structural model evaluation results. The R^2 value for organizational performance is 0.523, indicating that strategic agility dimensions explain approximately 52.3% of the variance in organizational performance among SMEs in Fujian Province. According to established guidelines in structural equation modeling, R^2 values of 0.25, 0.50, and 0.75 can be interpreted as weak, moderate, and substantial explanatory power, respectively. Therefore, the R^2 value obtained in this study indicates a moderate to strong explanatory capability of the model. The adjusted R^2 value is 0.518, which remains very close to the original R^2 value, suggesting that the model is stable and not significantly affected by the number of predictors. In addition, predictive relevance was assessed using the Stone–Geisser Q^2 statistic, which was calculated through the blindfolding procedure. The Q^2 value for organizational performance is 0.356, which is greater than zero. This indicates that the model has adequate predictive relevance and can effectively predict the endogenous construct.

Table 7. Structural Model Evaluation (R^2 and Q^2)

Endogenous Variable	R^2	Adjusted R^2	Q^2
Organizational Performance	0.523	0.518	0.356

The final stage of the structural equation modeling analysis involves examining the structural relationships among the constructs to test the proposed hypotheses. Path analysis was conducted using the bootstrapping procedure with 5,000 resamples to estimate the significance of the relationships between the independent variables and the dependent variable. The results of the path coefficients, t-values, and p-values are presented in Table 8. The findings indicate that all three dimensions of strategic agility strategic sensitivity, leadership unity, and resource fluidity have a positive and statistically significant effect on organizational performance among SMEs in Fujian Province.

First, the relationship between strategic sensitivity and organizational performance is positive and statistically significant ($\beta = 0.274$, $t = 4.62$, $p < 0.001$). This result supports Hypothesis H1a, which proposed that strategic sensitivity positively influences organizational performance. The finding suggests that SMEs that actively monitor market trends, identify emerging opportunities, and respond quickly to environmental changes are more likely to achieve improved performance outcomes. Strategic sensitivity enables firms to anticipate changes in the business environment and adjust their strategies accordingly, which enhances their ability to remain competitive in the post-pandemic market.

Second, the results reveal that leadership unity has a significant positive impact on organizational performance ($\beta = 0.316$, $t = 5.18$, $p < 0.001$). Therefore, Hypothesis H1b is supported. Among the three dimensions of strategic agility, leadership unity demonstrates the strongest effect on organizational performance. This finding highlights the importance of alignment and collaboration among top management teams in strategic decision-making. When organizational leaders share common strategic goals and coordinate their actions effectively, firms are able to respond more rapidly to environmental changes and implement strategic initiatives more efficiently. Such leadership cohesion is particularly critical for SMEs operating in uncertain and dynamic environments.

Third, resource fluidity is also found to have a positive and statistically significant effect on organizational performance ($\beta = 0.289$, $t = 4.95$, $p < 0.001$). Thus, Hypothesis H1c is supported. This result indicates that SMEs that possess the capability to rapidly reallocate resources across different activities are better positioned to adapt to market changes and maintain operational efficiency. Resource fluidity allows organizations to redirect financial, human, and technological resources toward emerging opportunities, thereby improving their ability to sustain growth and competitiveness. Overall, the path analysis results confirm that the three dimensions of strategic agility collectively contribute to improved organizational performance. The findings suggest that SMEs that develop strong capabilities in environmental sensing, leadership coordination, and resource flexibility are more likely to achieve higher levels of performance in the post-pandemic business environment.

The results also provide empirical support for the broader proposition that strategic agility serves as a critical dynamic capability that enhances firm performance under conditions of environmental uncertainty. The significant positive relationships observed in the model demonstrate that strategic agility enables SMEs to respond effectively to external challenges and capitalize on emerging opportunities. Consequently, the results of this study provide strong empirical evidence supporting the overall research hypothesis that strategic agility positively influences organizational performance among SMEs in Fujian Province, China.

Table 8. Path Analysis and Hypothesis Testing

Hypothesis	Relationship	Path Coefficient (β)	t-value	p-value	Result
H1a	Strategic Sensitivity → Organizational Performance	0.274	4.62	0.000	Supported
H1b	Leadership Unity → Organizational Performance	0.316	5.18	0.000	Supported
H1c	Resource Fluidity → Organizational Performance	0.289	4.95	0.000	Supported

5. Discussion

The purpose of this study was to examine the effect of strategic agility on organizational performance among small and medium-sized enterprises (SMEs) in Fujian Province, China, in the post-pandemic business environment. The empirical findings demonstrate that the three dimensions of strategic agility strategic sensitivity, leadership unity, and resource fluidity have significant positive effects on organizational performance. These findings provide important insights into how SMEs can enhance their competitiveness and resilience in a rapidly changing economic landscape. The results of the study indicate that strategic sensitivity has a significant positive impact on organizational performance, supporting Hypothesis H1a. This finding suggests that SMEs that actively monitor market conditions, identify emerging opportunities, and remain aware of environmental changes are better able to improve their performance outcomes. Strategic sensitivity enables firms to detect shifts in customer preferences, technological developments, and competitive dynamics, allowing them to adapt their strategies accordingly.

This finding is consistent with previous studies that highlight the importance of environmental sensing capabilities for organizational success. Firms that demonstrate strong strategic awareness are more capable of recognizing opportunities and responding effectively to external challenges. In dynamic business environments, the ability to anticipate changes and make proactive adjustments is particularly critical for SMEs that often operate with limited resources. By continuously scanning the external environment and responding quickly to market signals, SMEs can improve their innovation capacity, market positioning, and overall performance. In the context of the post-pandemic economy, strategic sensitivity becomes even more important. The COVID-19 pandemic significantly altered global supply chains, consumer behavior, and market dynamics. SMEs that remained attentive to these changes were better able to adjust their business models and maintain operational continuity. Therefore, the positive relationship between strategic

sensitivity and organizational performance observed in this study reinforces the argument that environmental awareness is a key capability for SMEs navigating uncertainty.

The findings further reveal that leadership unity has the strongest positive effect on organizational performance, supporting Hypothesis H1b. Leadership unity refers to the degree of alignment and collaboration among top management teams in making strategic decisions. When organizational leaders share a common strategic vision and work collaboratively, they are more likely to implement effective and timely strategic responses to environmental changes. This result is consistent with existing research emphasizing the critical role of leadership coordination in strategic management. In organizations where leaders maintain strong consensus and cooperation, decision-making processes tend to be faster and more efficient. Such coordination reduces internal conflicts and enables organizations to implement strategic initiatives more effectively. For SMEs, where managerial structures are often relatively small and centralized, leadership unity plays an especially important role in guiding strategic direction and ensuring organizational coherence.

The findings also align with studies that suggest effective leadership is essential for developing agile organizations. Leaders who encourage collaboration, open communication, and shared decision-making can create a supportive environment for innovation and strategic adaptation. In the context of Fujian's SMEs, where many firms operate in competitive manufacturing and export sectors, leadership alignment can facilitate rapid strategic adjustments in response to changing market demands. Moreover, during periods of crisis and recovery, strong leadership coordination becomes even more critical. The pandemic created unprecedented challenges that required rapid decision-making and organizational flexibility. SMEs with cohesive leadership teams were more capable of responding effectively to disruptions, implementing digital transformation strategies, and exploring new business opportunities. Therefore, the strong influence of leadership unity on organizational performance found in this study underscores the importance of managerial collaboration in fostering strategic agility.

The results also demonstrate that resource fluidity has a significant positive impact on organizational performance, supporting Hypothesis H1c. Resource fluidity refers to the organization's ability to reallocate resources quickly and efficiently across different activities. This capability allows firms to redirect financial, human, and technological resources toward areas where they can generate the greatest value. The positive relationship between resource fluidity and organizational performance supports the dynamic capabilities perspective, which emphasizes the importance of resource reconfiguration in responding to environmental change. Firms that can rapidly adjust their resource allocation are better equipped to exploit new opportunities and manage operational challenges. For SMEs, resource flexibility is particularly important because limited resources must be used strategically to maximize organizational outcomes.

This finding is also consistent with prior research suggesting that flexible resource management enhances organizational adaptability and innovation. Firms that can redeploy resources across departments or projects can experiment with new ideas, adopt emerging technologies, and improve operational efficiency. In the context of the post-pandemic economy, resource fluidity allows SMEs to adjust their production processes, adopt digital platforms, and explore new markets more effectively. For SMEs in Fujian Province, many of which operate in export-oriented industries, the ability to shift resources quickly is essential for responding to changes in global demand and supply chain conditions. Firms that successfully reallocate resources toward innovation, digital transformation, or new product development are more likely to maintain competitive advantages and achieve improved performance outcomes. Taken together, the findings of this study confirm that strategic agility plays a crucial role in enhancing organizational performance among SMEs in the post-pandemic business environment. The three dimensions of strategic agility collectively contribute to improved firm performance by enabling organizations to sense environmental changes, make coordinated strategic decisions, and reconfigure resources efficiently.

These results provide empirical support for the dynamic capabilities framework, which argues that firms must develop adaptive capabilities to survive and thrive in turbulent environments. Strategic agility allows SMEs to respond effectively to uncertainty and maintain competitiveness in rapidly evolving markets. In the context of Fujian Province, where SMEs operate in highly competitive and globally integrated industries, developing strategic agility is particularly important for long-term sustainability. Furthermore, the findings highlight that organizational performance is not solely determined by financial resources or market conditions. Instead, internal managerial capabilities such as strategic awareness, leadership coordination, and resource flexibility play a critical role in shaping firm outcomes. SMEs that invest in developing these capabilities are more likely to succeed in the post-pandemic economy.

6. Conclusions

This study examined the effect of strategic agility on organizational performance among small and medium-sized enterprises (SMEs) in Fujian Province, China, in the post-pandemic business environment. Using a quantitative research design and partial least squares structural equation modeling (PLS-SEM), the study tested how three key dimensions of strategic agility strategic sensitivity, leadership unity, and resource fluidity affect SME performance across financial, market, and operational indicators. The empirical results provide clear evidence that strategic agility is a critical capability for enhancing organizational outcomes in uncertain and dynamic environments.

The findings indicate that strategic sensitivity positively influences organizational performance, suggesting that SMEs that actively monitor market trends, anticipate environmental changes, and respond quickly to emerging opportunities are more likely to improve operational effectiveness, market positioning, and financial outcomes. Leadership unity emerged as the strongest predictor of performance, highlighting the importance of aligned and collaborative decision-making among top management teams. Firms where leaders share a common strategic vision and coordinate actions effectively are able to implement strategies more efficiently and respond rapidly to environmental challenges. Additionally, resource fluidity was found to significantly enhance performance, demonstrating that the ability to reallocate financial, human, and technological resources toward areas of strategic priority allows SMEs to exploit opportunities and maintain competitiveness in post-pandemic markets.

The study makes several theoretical contributions. First, it extends the literature on strategic agility by providing empirical evidence of its impact on SME performance in the post-pandemic context, where environmental uncertainty and market volatility are particularly pronounced. Second, it operationalizes strategic agility as a multidimensional construct comprising strategic sensitivity, leadership unity, and resource fluidity demonstrating the distinct and complementary roles of each dimension in influencing performance. Finally, the findings contribute to the dynamic capabilities perspective by illustrating how internal organizational capabilities mediate SMEs' adaptation to external shocks and facilitate sustained performance outcomes.

From a managerial and policy perspective, the results have significant implications. SME managers should prioritize the development of strategic agility by fostering environmental scanning mechanisms, strengthening leadership coordination, and promoting resource flexibility. Business owners and executives can implement structured processes for monitoring market signals, ensure alignment among managerial teams, and adopt flexible resource allocation practices to enhance operational responsiveness. Policymakers and regional development agencies can support SMEs through capacity-building programs, training workshops, and initiatives that encourage agile management practices and digital transformation, thereby enabling firms to navigate post-pandemic challenges more effectively.

Despite its contributions, this study has limitations that must be acknowledged. First, the research relied on cross-sectional survey data, which limits the ability to establish

causal relationships. Future studies could adopt longitudinal designs to track the evolution of strategic agility and performance over time. Second, the study focused exclusively on SMEs in Fujian Province, which may limit the generalizability of the findings to other regions or countries with different economic and institutional contexts. Finally, organizational performance was measured using perceptual indicators rather than objective financial data; while this approach is common in SME research, future research could incorporate secondary financial metrics to complement survey responses.

Declarations

Ethics and Guidelines: The study was conducted in accordance with the Declaration of Helsinki, and ethically approved by the Institutional Review Board of European University of Bangladesh (Approval Number: 4398-2024-346) on [Date: 14-04-2024]. The ethical approval specifically covers the research procedures and data collection activities conducted for this study.

Consent to participate: Written informed consent was obtained from all participants prior to data collection. Consent was obtained using a standardized written form, signed by each participant before participation in the survey.

Consent to publish: The authors have provided consent to publish.

Competing interests: The authors declare no competing interests.

Data availability statement: Data will be made available on reasonable request from the corresponding author.

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Declaration of using generative AI: During the preparation of this work the author(s) used ChatGPT in order to correct the grammatical errors. After using this tool/service, the author(s) reviewed and edited the content as needed and take full responsibility for the content of the published article.

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