Leveraging strategic intuition to reach firm performance: the role of entrepreneurial agility and environmental dynamism

Zulganef1, Sri Astuti Pratminingsih2*, Andri Rianawati3
1,2Universitas Widyatama, Bandung, Indonesia
3Universitas Surabaya, Surabaya, Indonesia
*Correspondents e-mail: sri.astuti@widya.ac.id

Abstract

Purpose – This study was carried out to analyze the influence of strategic intuition on firm performance through the role of entrepreneurial agility as a mediator and environmental dynamism as a moderator.

Design/methodology/approach – This study was conducted using a quantitative approach. The number of samples in this study was 280 SMEs actors in Bandung, West Java. The data in this study was collected by distributing questionnaire to the respondents. The data obtained was then processed and analyzed using Structural Equation Modelling with Partial Least Square, using Smart-PLS software.

Findings – The findings of this study proved that: (1) Strategic intuition positively influenced firm performance; (2) Strategic intuition positively influenced entrepreneurial agility; (3) Entrepreneurial agility positively influenced firm performance; (4) Environmental dynamism negatively moderated the relationship between strategic intuition and entrepreneurial agility; and (5) Environmental dynamism negatively moderated the relationship between entrepreneurial agility and firm performance.

Research limitations/implications – This study attempted to understand the concept of entrepreneurship in a dynamic environment using entrepreneurial agility as one of the constructs, and linked it with firm performance. However, this study had not yet differed the respondent based on their business type. Future studies can analyze further about the phenomenon that occurred within different kind of business using different level of analysis, such as comparing the condition within and between group of entrepreneurs.

Practical implications – This study provided contributions to SMEs actors in Bandung, as it can be a consideration for the way they run their business within a volatile business environment.

Originality/value – This study was giving a deep understanding of strategic intuition on firm performance with the mediation role of entrepreneurial dan moderator role of environmental dynamism in the scope of SMEs.

Keywords: Strategic intuition, entrepreneurial agility, environmental dynamism, firm performance.

Introduction

It is widely accepted that today's organizations, especially small and medium enterprises, have faced problems responding to a dynamic and uncertain environment. Technological developments and changing economic demographics have encouraged knowledge-based competition (Aujirapongpan
et al., 2020a). The strength of today’s organizations depends not only on efficiency in organizational routines, but also on innovative capabilities that can represent exploration and exploitation. According to Aujirpongpan & Hareebin (2020) in maintaining a competitive advantage, agility and speed in responding to opportunities and anticipating threats are very important. In addition to agility, organizations must also have knowledge as the basis for their business strategy. Therefore, the development of knowledge-based resources is one of the factors in seeking a sustainable competitive advantage (Jutidharabongse et al., 2020). Aujirpongpan et al. (2020a) examined knowledge-based management strategies used by organizations and identified that knowledge can be capital for organizations in improving business performance.

Tajeddini & Mueller (2018) mentioned that changes in a fluctuating environment require a strategic development plan that is flexible, proactive, sustainable, and diverse. However, apart from the development of these strategies, it is crucial to understand the attitudes of individuals in the organization, especially those related to feelings, instincts, and intuition. According to Aujirpongpan et al. (2020b), entrepreneurs must possess the intellectual resources through the knowledge management process to enhance their competitive advantage. Duggan (2007) stated that a business can thrive if entrepreneurs have the ability and predict their future, otherwise known as strategic intuition. In other words, successful entrepreneurs have instincts in decision making and recognize opportunities and threats in the environment in which the organization operates (Aujirpongpan & Hareebin, 2020). In addition, the key ability of a successful business is the agility to recognize future business possibilities by relying on predictions or applying rational information to make decisions by relying on feelings and instincts combined from experience (Giampaoli, 2019).

One of the key capabilities of a successful business organization is the agility to recognize future business possibilities and be consistent with goals in relying on predictions or applying rational information to make decisions (Wairimu et al., 2021). Chen & Siau (2020) defined organizational agility as the ability to identify and react efficiently to external opportunities. However, this is not something that is easy considering that very high environmental uncertainty coupled with technological advances may cause competition to be higher (Xing et al., 2020). Therefore, organizational agility is considered as a company strategy in overcoming environmental turbulence. The study from Varshney & Varshney (2020) found that organizations can improve their performance through agility driven by knowledge management’s ability to predict the future through their intuition. Likewise, Sadeghi et al. (2019) argued that the environment has a significant impact on organizational performance, especially small and medium business actors. Thus, organizational behavior is conditioned by a dynamic environment, which is defined as the degree of uncertainty and instability of the firm’s environment (Chan et al, 2016).

The unstable and dynamic environment in many developing countries, especially the one faced by small and medium enterprises in Indonesia, is very diverse, as are policy changes and technological developments. Therefore, organizational agility is needed to deal with dynamic environments. Previous studies has also argued that a dynamic environment indicates disorder and instability in organizational performance (Ahmed et al., 2022; Karimi & Walter, 2021). Therefore, it is important to understand how organizations utilize their intuitive ability to take into account a dynamic environment to pursue organizational performance.

A number of scholars have emphasized the importance of exploring the relationship between intuition ability and organizational performance (Aujirpongpan et al., 2020a) and the relationship of organizational agility on performance (Ahmed et al., 2022). However, these studies have not taken into account the moderating role of the dynamic environment. Boadu et al. (2021) argued that current technological developments have become a trigger for changes in the business environment as well as strengthening the role of intangible resources such as intellectual abilities in achieving superior performance.

One of the keys to the ability of a successful entrepreneur is to use the ability to recognize future business possibilities without relying on predictions or applying rational information to make decisions, but by relying on feelings and instincts combined with experience when making decisions (Mohammad, 2019). In other words, successful entrepreneurs have instincts in making clear and accurate decisions and recognize crises and opportunities to improve business performance (Yu et
al., 2018). Such abilities are referred to as wisdom, insight, or intuition. Therefore, this study aims to explore the relationship between strategic intuition on organizational performance and mediating organizational agility and to explain the moderating role of the dynamic environment in Indonesian SMEs, Bandung City, West Java. This research is expected to be able to answer research questions regarding the contribution of intuition ability on organizational performance, the mediating role of organizational agility, and the role of the dynamic environment as moderating variable in affecting firm performance in the context of SMEs in Indonesia. The samples of this study were consisted of 280 SMEs and the data were analyzed through the SEM and Hayes process methods.

**Literature Review and Hypotheses**

**Strategic Intuition and Firm Performance**

According to Aujirapongpan et al. (2020b), intuition is a mental process involving instinctive feelings rather than conscious reasoning and quick decision making derived from knowledge-based experience. Aujirapongpan & Hareebin (2020; Songkajorn et al., 2022) mentioned that past experience is important for a leader in order to identify the factors of a phenomenon. It is also stated that a superior leader has the unique ability to view possibilities. However, this ability certainly does not appear out of nowhere, but is based on patterns that have been owned or experienced by leaders or managers. Strategic intuition is a way of thinking and understanding possibilities, as well as making decisions that are based on knowledge and gained from experience (Giampaoli, 2019). Through intuition, a leader can predict certain future events and offer strategies to anticipate various possibilities. Thanos (2022) found that the intuition development process consists of four steps. The first is having previous business experience regardless of whether it is a success or failure. The second is creating the mind by bringing concentration to a new perspective. The third is reflecting the idea, and the fourth is implementation. Luoma & Martela (2021; Duggan, 2007) proved that systematic knowledge can lead to the strategic intuition stage. In addition, intuition skills are also based on a state of mind in which past and present states are combined. Strategic intuition ability is described as a personal ability or talent ability to make decisions about a particular subject using a process of thinking which is divided into three parts, namely systematic attention, expertise, and concentration that can lead to performance (Abbas et al., 2019).

Ahmad & Ahmad (2019; Charoensukmongkol, 2021) stated that firm performance is a construction that shows financial and operational performance such as market share and growth. Every organization, whether small, medium or large, certainly wants to have superior performance. According to Aydiner et al. (2019), firm performance can be measured by financial or even non-financial instruments, such as customer satisfaction, the level of sales volume, as well as production and development of new products in the market. Performance is a measure of the level of success of a firm company in carrying out its goals. Ashrafi (2019) suggested that performance is the result of work that has a strong relationship with strategic goals and managers' intuitive abilities.

H1: Strategic intuition has a positive influence on firm performance.

**Strategic Intuition and Entrepreneurial Agility**

One of the most basic assumptions about management is that systematic and careful and intuitive analysis can lead to superior choices in gaining a competitive advantage (Ashrafi, 2019). According to Mintzberg (1994), strategies sometimes cannot be planned, but can emerge from a systematic pattern based on previous experience. That is why sometimes intuition is needed in deciding strategies; thus, companies can respond to opportunities that exist in the external environment. Karimi & Walter (2021) stated that sometimes the company's obstacles are not able to capture the opportunities that exist because there are too many systematic considerations. Therefore, managers who have good intuition skills can respond to changes and are able to adjust their organization's position in facing challenges. Good intuition skills can encourage organizations to adapt to external and internal changes and quickly meet customer demands and expectations. Aujirapongpan et al. (2020b) and Luoma & Martela (2021) mentioned that intuition is based on experience held in strong understanding. Jutidharabongse et al. (2020; Songkajorn et al., 2022) emphasized that management
skills and strategic intuition can lead to the strategic intuition stage which leads to organizational agility. The successful development of intuition skills is based on a state of mind in which past and present circumstances mix to produce adaptive abilities and agility for the organization (Duggan, 2007).

In considering the components in strategic intuition, Thanos (2022) and Hindrawati et al. (2022) explained that intuition ability cannot be realized properly if the organization does not want to be adaptive to the external environment. A business is only agile when it has the predictability to meet rapidly changing customer needs. Being an agile organization must have the ability to reconfigure service and product trends to meet consumer demands. Research by Aujirapongpan et al. (2020a) found that an agile organization does not just appear, but many factors influence it, one of which is the cognitive ability and intuition of business owners in responding to the environment.

H2: Strategic intuition has a positive influence on entrepreneurial agility.

Entrepreneurial Agility and Firm Performance

The term organizational agility is almost a synonym for flexibility. Ahmed et al. (2022) defined agility in terms of a firm’s ability to manage demand uncertainty. According to Sopelana et al. (2010), strategic agility is the capacity to continuously adjust the strategic direction in the core business to create value for the company. Ahmed et al. (2022) described it as the ability to remain flexible in the face of new developments and redirect its resources to create superior value. Meanwhile, Kohtamäki et al. (2020) defined entrepreneurial agility as a managerial cognitive ability to anticipate, visualize, and take advantage of entrepreneurial opportunities related to digital entrepreneurship. These cognitive abilities are potentially related to entrepreneurial domains, such as corporate, international, social, and professional entrepreneurship. In addition, the concept of agility also refers to the ability where the organization is able to respond and redesign the current business (Karimi & Walter, 2021). Companies without agility will find it difficult to accept changes, and they will eventually be far behind by their competitors, unable to respond to market needs, and have a lack of information about developing business trends (Wairimu et al., 2021; Hindrawati et al., 2022). In a market that is stable or seems homogeneous, the concept of agility may not be very valuable. However, when there is uncertainty in the environmental context, agility tends to be a very valuable or even needed factor. Research on digital transformation also shows that organizational agility makes it possible to adopt new business models (Mulyana & Hendar, 2020). Thus, a company without agility may not be able to respond to market needs by adapting and innovating its core business model.

Kohtamäki et al. (2020) stated that performance can provide information to assess the extent of excellence of an organization. In measuring firm performance, Mulyana & Hendar (2020) divided two aspects in measuring performance, namely financial and non-financial measurement. In formulating a strategy based on finance, only stakeholders are needed, but in formulating a non-financial strategy it will involve innovation, motivation, flexibility, and services provided; thus, company performance can increase.

H3: Entrepreneurial agility has a positive influence on firm performance.

Environmental Dynamism as Moderating Variable

Dynamic environment refers to the level of technology and market changes as well as uncertainty in the environment (Ahmed et al., 2022; Deng et al., 2021). This uncertainty is caused by changes and technological advances as well as the dynamics of competition caused by consumer demand (Mohammad, 2019). Dynamic environment can stimulate new ideas and broaden the company’s vision. Furthermore, Zhang & Zhu (2021) stated that a dynamic environment can present a window of opportunity for new technologies and new markets thereby encouraging organizations to continuously update their knowledge base through external sources of information and be flexible in accommodating the environment to improve business performance. In particular, a dynamic environment helps incubation in increasing organizational flexibility or agility to push between networks in response to a changing environment (Khourroh, 2019; Kumar & Bhatia, 2021). When faced with a dynamic environment, the ability of the manager or owner becomes an important
factor in formulating strategies that can improve performance. In addition, Yu et al. (2018) found that the relationship between intuition and organizational agility depends on external environmental conditions. When the external environment is dynamic and uncertain, even though the manager has good intuition, he is not necessarily able to be flexible because he considers a dynamic environment. On the one hand, in improving performance, organizational agility cannot be separated from observing the environment in which the organization operates (Saeed et al., 2020). In facing dynamic environment, the organization's ability to predict existing technologies and products by strengthening and focusing on current internal and external network relationships is important in obtaining superior performance (Tajeddini & Mueller, 2018).

H4: Environmental dynamism negatively moderates the relationship between strategic intuition on entrepreneurial agility. This relationship will be stronger when environmental dynamism is low

H5: Environmental dynamism negatively moderates the relationship between entrepreneurial agility on firm performance. This relationship will be stronger when environmental dynamism is low

![Figure 1. Research Framework](image)

**Research Methods**

This research was conducted using a quantitative approach, which aims to determine the causal effect among the variables studied. The population of this research was small and medium business actors in Indonesia, Bandung West Java. The sample was determined using the purposive sampling technique, with the criteria that SMEs had been running their business for at least 1 year. This was to ensure that SME actors had experienced dynamic changes both internally and externally so that they can find out how the organization perceived changes in the business environment as well as the development of environmental changes and measured how their intuitive abilities improved organizational performance. Data was collected by distributing questionnaires through online platforms to respondents, then the questionnaires were measured using a 5-point Likert scale, with a scale of 1 indicating that the respondent strongly disagree, and a scale of 5 indicating that the respondent strongly agree. The number of questionnaires that can be processed was 280 questionnaires. Furthermore, the data analysis process was carried out using the Structural Equation Modeling method with Smart PLS.

The measurement of each construct in this study was as follows:

1. The strategic intuition variable is defined as a mental process involving instinct rather than conscious reasoning and decision making that comes from knowledge-based experience. Strategic intuition is measured by 4 items adopted from Aujirapongpan et al. (2020b).
2. Entrepreneurial Agility is defined as the capacity to continuously adapt or respond to changes in the environment. Entrepreneurial Agility is measured by three items adopted from Kohtamäki et al. (2020).
3. Firm performance is defined as a description of the financial condition of a company. Firm performance is measured by two dimensions adapted from Abbas et al. (2019).
4. Environmental Dynamism is defined as the degree to which consumer preferences and
organizational products change over time without an unpredictable pattern. Environmental dynamism is measured by four items adopted from Taghizadeh et al. (2020; Ahmed et al., 2022).

To find out whether the indicators on the latent variables in the study met the validity and reliability requirements, it was necessary to measure the outer loadings, Average Variance Extracted (AVE), Cronbach’s Alpha, and Composite Reliability. Checking whether an indicator was valid in measuring the latent variable can be seen in the outer loadings and Average Variance Extracted values, while reliability was measured on the Cronbach’s Alpha and Composite Reliability parameters. If the outer loadings and AVE values were more than 0.50 then it can be said to be valid. If Cronbach’s Alpha and Composite Reliability had a value greater than 0.700, the indicator can be said to be reliable. Table 1 shows the details of the measurement of each parameter. From the table it is known that all parameters met the acceptance criteria.

Table 1. Indicators of Validity and Reliability Measurement

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Outer Loadings</th>
<th>Average Variance Extracted</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Intuition</td>
<td>SI1</td>
<td>0.814</td>
<td>0.517</td>
<td>0.713</td>
<td>0.808</td>
</tr>
<tr>
<td></td>
<td>SI2</td>
<td>0.802</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SI3</td>
<td>0.764</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SI4</td>
<td>0.729</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial Agility</td>
<td>EA1</td>
<td>0.819</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EA2</td>
<td>0.928</td>
<td>0.780</td>
<td>0.857</td>
<td>0.914</td>
</tr>
<tr>
<td></td>
<td>EA3</td>
<td>0.898</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firm Performance</td>
<td>FP1</td>
<td>0.945</td>
<td>0.876</td>
<td>0.859</td>
<td>0.934</td>
</tr>
<tr>
<td></td>
<td>FP2</td>
<td>0.927</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Dynamism</td>
<td>ED1</td>
<td>0.833</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ED2</td>
<td>0.780</td>
<td>0.655</td>
<td>0.824</td>
<td>0.884</td>
</tr>
<tr>
<td></td>
<td>ED3</td>
<td>0.848</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ED4</td>
<td>0.775</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Results and Discussion

Result

Determinant coefficient

The value of the determinant coefficient in this study indicated the influence or the role of exogenous variable on endogenous variable. In this test, the determinant coefficient of Entrepreneurial Agility was 0.728. This means that Environmental Dynamism and Strategic Intuition can affect Entrepreneurial Agility by 72.8%. While the determinant coefficient for Firm Performance was 0.611, meaning Firm Performance can be influenced by Entrepreneurial Agility and Strategic Intuition by 61.1%. The value of the coefficient of determination for the causal relationship between exogenous variables and endogenous variables can be seen in the following table.

Table 2. Determinant Coefficient

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Agility</td>
<td>0.728</td>
</tr>
<tr>
<td>Firm Performance</td>
<td>0.611</td>
</tr>
</tbody>
</table>

Model causality test

The hypothesis of a causal relationship can be accepted when it has a t statistic value greater than t table. In this study, the Degree of Freedom used at 5% significance was 276; thus, t table value was 1.9686. From the test results, data obtained that all alternative hypotheses can be accepted
significantly. The following is a description of the explanation of the test results.

1. Strategic Intuition had a positive effect on Firm Performance of 0.319 and had a significant effect with the t statistics value of 5.137, which was greater than the t table value of 1.9686 (H1 was accepted).

2. Strategic Intuition had a positive effect on Entrepreneurial Agility of 0.618 and had a significant effect with a t statistic value of 2.965 which was greater than the t table value of 1.9686 (H2 was accepted).

3. Entrepreneurial Agility had a positive effect on Firm Performance of 0.503 and had a significant effect with a t statistic value of 4.789, which was greater than the t table value of 1.9686 (H3 was accepted).

4. Environmental Dynamism negatively moderated the causal relationship between Strategic Intuition and Entrepreneurial Agility by -0.389 and had a significant effect with the t statistics value of 3.411 which was greater than the t table value of 1.9686 (H4 was accepted).

5. Environmental Dynamism negatively moderated the causal relationship between Entrepreneurial Agility and Firm Performance by -0.402 and had a significant effect with the t statistics value of 4.123, which was greater than the t table value of 1.9686 (H5 was accepted).

### Table 3. Causality Model Test Result

<table>
<thead>
<tr>
<th>Causality Model</th>
<th>Path Coefficients</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Intuition → Firm Performance</td>
<td>0.319</td>
<td>5.137</td>
<td>0.000</td>
</tr>
<tr>
<td>Strategic Intuition → Entrepreneurial Agility</td>
<td>0.618</td>
<td>2.965</td>
<td>0.001</td>
</tr>
<tr>
<td>Entrepreneurial Agility → Firm Performance</td>
<td>0.503</td>
<td>4.789</td>
<td>0.009</td>
</tr>
<tr>
<td>Entrepreneurial Dynamism moderates the influence of Strategic Intuition → Entrepreneurial Agility</td>
<td>-0.389</td>
<td>3.411</td>
<td>0.001</td>
</tr>
<tr>
<td>Environmental Dynamism moderates the influence of Entrepreneurial Agility → Firm Performance</td>
<td>-0.402</td>
<td>4.123</td>
<td>0.009</td>
</tr>
</tbody>
</table>

Source: primary data processed (2022)

Based on the tests that had been carried out, the results showed that Entrepreneurial Dynamism can negatively moderate the causal relationship between Strategic Intuition and Entrepreneurial Agility and negatively moderate the causal relationship between Entrepreneurial Agility and Firm Performance at a significance level of 5%. The measurement model in this study can be seen in the following figure.

![Figure 2. Research Mode](image-url)
Discussion

Based on the results of the hypothesis testing, it is found that the first hypothesis proposed, namely the positive influence of strategic intuition on firm performance, was accepted. In other words, strategic intuition had a significant impact on firm performance. This finding supported the previous studies carried out by Ashrafi (2019) who proved that managers’ strategic intuition was closely related to the firm performance. Managers who had strategic intuition will be able to increase their firm performance. The more strategic intuition owned by manager or leader, the higher their firm performance would be. Strategic intuition was formed as a mental process of managers that were based on knowledge as well as their past and future experiences. Through strategic intuition, managers were able to predict a particular event that occur in the future, while also offering options to anticipate threats and seize opportunities. This ability enabled managers to have systematic awareness and capability that led them to achieve higher firm performance.

Furthermore, the results of this study indicated that the second hypothesis proposed, namely the positive influence of strategic intuition on entrepreneurial agility, was accepted. It can be interpreted that strategic intuition had a significant impact on entrepreneurial agility. This result supported the findings from previous studies carried out by Aujirapongpan et al. (2020a; Jutidharaborngse et al., 2020; Thanos, 2022). Managers who had strategic intuition will be more agile in running their business. In other words, the more strategic intuition possessed by manager or leader, the higher their entrepreneurial agility would be. Strategic intuition was needed by managers to formulate strategy in running their business, because it acted as a means to help them analyze both the internal and external environment. Managers with good strategic intuition had better ability to respond to the shift or crisis in the environment. They were also able to meet the demands and needs from customers. This was because they already had experiences in their past and able to combine it with their current thoughts. As a result, it generated adaptive capability and entrepreneurial agility.

The results of this study proved that the third hypothesis proposed, namely the positive influence of entrepreneurial agility on firm performance, was accepted. Therefore, it can be understood that entrepreneurial agility had a significant impact on firm performance. This result supported the findings from previous studies carried out by Kohtamäki et al. (2020; Ahmed et al., 2022; Karimi & Walter, 2021). Managers who had entrepreneurial agility will be able to increase their firm performance. In other words, the higher the entrepreneurial agility possessed by manager or leader, the higher their firm performance would be. Entrepreneurial agility was the managers’ capability to anticipate, visualize, and utilize entrepreneurial opportunity that was related to digitization in entrepreneurship. Without agility, it will be difficult for firms to maintain their position in a complex environment. They will not be able to manage change and meet the demands from their customers that keeps evolving. On the contrary, managers with entrepreneurial agility can adapt and innovate to respond to the changing market demands; thus, it will increase their firm performance.

Finally, the results of this study also suggested that the fourth and fifth hypothesis proposed, namely the negative moderating role of environmental dynamism, was accepted. Environmental dynamism was seen from the changing markets and technological development, in addition to environmental uncertainty. The condition by which environmental dynamism occurred can have an impact on the relationship between strategic intuition on entrepreneurial agility and entrepreneurial agility on firm performance. Managers with strategic intuition may not be able to exert their entrepreneurial agility. Although they had the capacity based on their knowledge and past experiences, if the environmental dynamism was high, it may not be suitable to be applied to the current condition, since the environment was highly volatile. Similarly, high environmental dynamism can weaken the relationship between entrepreneurial agility and firm performance. Although managers had entrepreneurial agility, as they were agile and flexible in carrying out their business, it will be hard for them to increase their firm performance. The uncertain environment may complicate their move to formulate strategy that can increase the firm performance.
Theoretical Implication and Managerial Implication

This study had a theoretical contribution in adding literature of strategic intuition on firm performance in term of entrepreneurial agility. In addition, this study adds to the development of theories related to strategic intuition as an effort to improve firm performance by moderating the role of environmental dynamism. This research was conducted in the context of SMEs; thus, this research also increased literacy in the context of SMEs in an effort to improve performance through strategic instruction.

This study was conducted in SMEs, which was widely spread throughout Asia. SMEs were considered as one of the drivers of economy, and they played a significant role, especially in developing countries. This study had provided new insights in the context of SMEs to maintain their position in the complex and volatile business environment in digital era. Currently, digitization had become the concerns that can have an impact on firm performance; thus, managers and owners of SMEs must be able to deal with it. This study sheds lights on the important role of managers’ strategic intuition and entrepreneurial agility in increasing firm performance in the context of SMEs, especially in developing countries. In addition, the results of this study also suggested managers and owners of SMEs to consider the dynamics in the environment while carrying out their business. Managers’ strategic intuition played a role as a determinant for their attitude and behavior in running their business, which was reflected in entrepreneurial agility. With strategic intuition, it was possible to anticipate threats and seize opportunities and act more agile to achieve higher firm performance. Therefore, it is necessary to emphasize the ability of managers and owners of SMEs to have strategic intuition. Furthermore, this study also proved that environmental dynamism played a significant role as a factor that can weaken the influence of strategic intuition on entrepreneurial agility and entrepreneurial agility on firm performance. This finding should be considered by owners and managers of SMEs, as they need to pay attention to the condition in the environment in order to achieve higher firm performance. Finally, this study was expected to be a reference for owners and managers of SMEs in developing countries as a way to achieve higher firm performance by utilizing their strategic intuition and entrepreneurial agility.

Conclusion and Future Direction

This study attempted to examine the influence of strategic intuition in improving firm performance through the mediation role of entrepreneurial agility and moderation role of environmental dynamism in SMEs scope. The result showed that strategic intuition had a positive effect on firm performance and entrepreneurial agility. The result also mentioned that entrepreneurial agility had a positive impact on firm performance. While environmental dynamism negatively moderated the relationship between strategic intuition and entrepreneurial agility, and the relationship between entrepreneurial agility and firm performance. This study only focused on the context of SMEs in Bandung, West Java, Indonesia. Future studies were recommended to carry out studies with wider scope, and not limited by certain areas to ensure the generalizability of the results. Furthermore, this study had employed the moderating role of environmental dynamism and viewed it as one conditional variable that can negatively moderate the relationship among strategic intuition, entrepreneurial agility, and firm performance. However, there was a need to examine the role of other moderating variable that can have a positive influence, or strengthen the relationship between each variable studied, such as technology opportunism. Finally, this study had attempted to understand the concept of entrepreneurship in a dynamic environment using entrepreneurial agility as one of the constructs and linked it with firm performance. Future studies can analyze further about the phenomenon that occurs within the business using different level of analysis, such as comparing the condition within and between group of entrepreneurs. It is suggested to be studied since it can broaden the knowledge about whether entrepreneurial agility can work effectively in groups or regarding the magnitude of environmental dynamism in a group of entrepreneurs. It is also aimed to understand more about the business phenomena that occurs in the context of SMEs.
References


Leveraging strategic intuition to reach firm performance: …


