

# New research shows what NASA can teach organizations about strategic agility

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In their 60-year's history, the National Aeronautics and Space Administration (NASA) had to go through several radical organizational changes. New research by ESMT Berlin and Warwick Business School shows what NASA's history can teach organizations about strategic agility, and how organizations can adapt their business models effectively to cater to external challenges.

To shed light on how strategic agility is achieved, the study follows NASA's successful shifts to three different strategic alignments over the past 60 years. The study suggests that an often-overlooked factor, known as logical incrementalism, has played a crucial role in NASA's ability to adapt and succeed over time. The study was [published](#) in *California Management Review*.

The study highlights three phases of incremental changes in NASA's evolution: the emergence of new approaches, the integration of these approaches into specific contexts, and their expansion to other organizational areas. Strategic agility, as explored in the study, involves an organization's capacity to significantly shift and realign its business model over extended periods, ensuring sustained competitiveness.

The research recognizes the challenges organizations face in balancing exploitation and exploration, emphasizing the need for new [business models](#) to overcome the tendency to rearrange old ways of doing business. The study contends that strategic agility is crucial in fostering innovation, particularly when organizations risk falling into competency traps or strategic inertia.

Angeliki Papachroni, lecturer in strategy, innovation, and entrepreneurship and faculty lead of the master in [innovation](#) and entrepreneurship program at ESMT, in collaboration with researchers from University of Warwick, found that in the case of NASA, transformational change occurred through a dynamic process of incremental evolutions.

"Faced with increasing pressure from blurred industry boundaries and rapid technological change, established organizations in almost every industry are facing the pressure for radical or transformative changes," says Papachroni. "It is vitally important that these organizations look to challenge their current strategies, even in times of non-crisis, so that they

are able to adapt easily and effectively when they face key challenges to their survival."

Clearly, these findings show that strategic [agility](#) is therefore not necessarily always about speed but about progressively and incrementally building long-term competencies, culture, and strategies that are not only internally aligned, but also consistent with the imperatives posed by the external environment.

The researchers state that these findings show that executives should encourage new initiatives and experimentation in the normal course of [business](#) as ways of learning and incrementally shifting the organization toward a new strategic alignment.

**More information:** Loizos Heracleous et al, Logical Incrementalism as a Path to Strategic Agility: The Case of NASA, *California Management Review* (2023). [DOI: 10.1177/00081256231180878](https://doi.org/10.1177/00081256231180878)

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