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Agile Leadership from the Perspective of Dynamic Capabilities and Creating Value

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Abstract: This article aims to contribute to a leadership-based theory of dynamic capabilities and creating value. As a contribution to the economic dimension of sustainability, the mediation role of dynamic capabilities in the effect of agile leadership on creating value has been examined within the framework of the developed hypotheses and the relationships and interactions among agile leadership, dynamic capabilities, and creating value have been revealed. In this context, the data were obtained from 540 participants who work as middle- and upper-level managers in medium-sized and large-sized enterprises in various cities in the northwest of Turkiye, such as Sakarya, Kocaeli, and Istanbul, which are the locomotives of the Turkish economy. Structural Equation Modeling (AMOS) was used to examine the interaction between variables. The findings of this research demonstrate that dynamic capabilities have a full intermediary effect on the impact of agile leadership on creating value.

Keywords: economic sustainability; agile leadership; dynamic capabilities; creating value

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1. Introduction

The competition conditions continuously change for current enterprises. There are a number of challenges in the external environment for them due to globalization, changes in the customers' demands, and innovations in technology. To survive in a competitive environment in which dramatic changes have been undergone, the transition to sustainability is a necessity for current enterprises [1]. Sustainability is based on three subdimensions: environmental, social, and economic [2]. From an economic perspective, sustainability is considered as the ability of the economy to maintain its existence and continue its activities without jeopardizing its purpose of existence over time [3]. In this study, creating value has been considered as a dependent variable that could contribute to economic sustainability, based on the conventional perspective. Agile leadership and dynamic capabilities have been considered as antecedent variables for creating value which would contribute to economic sustainability.

Several researchers have also used styles of leadership as antecedent variables in their research regarding dynamic capabilities. Innovative and courageous leadership is required to develop dynamic capability [4]. It has been identified in other studies that transformational and transactional leadership behaviors contribute to the development of the innovation (dynamic) capabilities of a strategic alliance [5,6]. Schoemaker et al. have argued in their study that strategic leadership is an antecedent variable to develop dynamic capabilities, and to create business model innovations in VUCA worlds [7]. Mihardjo et al. have stated that digital leadership behaviors have a significant effect on both strategic alliances and dynamic capabilities based on market orientation [8]. However, only Akkaya has handled agile leadership with dynamic capability variables together. It has been revealed in his study that enterprises in which there are agile leaders can display higher dynamic capabilities than even transformational leaders [9]. Despite many contributions about leadership models such as transformational theory, trait theory, charismatic leadership, and macro-strategic management, there are notable 'blind spots' in the literature,

because major leadership theories overlook important processes such as structuring, which enable the sustainable effect of the leader on organizational outcomes [10]. Therefore, it has been demanded to enrich the findings about the sustained effect of leadership on organizational outcomes in the literature.

According to some researchers, dynamic capabilities are antecedents for creating value and can improve the performance of value creation. Grant has analyzed the "dynamic" and "flexible-response capabilities" within the Resource-Based View Theory to succeed in hypercompetitive markets [11]. Eisenhardt and Martin have focused on dynamic capabilities for long-term competitive advantage in moderately dynamic markets and in high-velocity markets, which are a set of specific and identifiable processes such as product development, strategic decision making, and alliancing [12]. Teece has argued that dynamic capabilities are necessary to commercialize continuous innovations to meet customers' expectations by integrating the customers' needs and technological opportunities [13]. Salunke et al. have revealed that entrepreneurial service firms deliberately select and use dynamic capabilities for greater innovation and sustained competitive advantage [14]. However, few studies empirically handled these variables together in the literature [15,16]. Although it is stated that agile leaders are the most suitable type of leadership for competitive advantage, no study has experimentally examined the effect of agile leadership on creating value or tested the mediating role of dynamic abilities in this effect. As a result, considering all variables examined, this is the first study in the literature. This study highlights the role of agile leadership as a resource for dynamic capabilities and creating value, and it tries to contribute to a leadership-based theory of dynamic capabilities and creating value. Also, agile leadership and dynamic capabilities are considered as resources of creating value, because they are important for resource integration to achieve sustainable outcomes such as creating value. Brozović et al. have stated how resource integration is important for the vision and actions of firms toward sustainability, and that it would lead to sustainable value outcomes [17]. Therefore, this study would both enhance our understanding of the antecedents and directions of the effects among variables and enrich our understanding of the contribution of resources to economic sustainability.

To learn the answer to the question of what the direction and intensity of effects are, a model was created within the literature to contribute to Resource-Based View Theory and economic sustainability, and hypotheses were developed. So that the goodness-of-fit of the models could be examined, the data were obtained from 540 participants who work as middle- and upper-level managers in the medium- and large-sized enterprises in various cities in the northwest of Turkiye, such as Sakarya, Kocaeli, and Istanbul, all of which are the locomotives of the Turkish economy.

According to the results of the study, the variables have been discussed, which need to be considered a valuable source. The model is essential in providing guidelines for the development of the effectiveness of leadership to achieve a sustainable competitive advantage. The suggestions in this study can be adopted by managers at the medium or upper level of enterprises to improve their adaptation to a dynamic and unstable environment.

The research contains four sections: a literature review section that presents a conceptual framework and analyzes previous research to emphasize the models while describing the hypotheses; next, the sample and measures are explained in the Section 3; afterwards, the results are presented and interpreted; conclusions are discussed; and implications are presented in the Section 7.

2. Background

Many current enterprises try to gain new methods, organizational competencies, and abilities to adapt to changes in the external environment. Constant changes in the customers' demands, innovations in technology, and intensive competition oblige the enterprises to take these actions. To be able to cope with the size and complexity of present and future challenges, the transition to sustainability is a necessity for today's enterprises. The transition to sustainability means being able to generate a positive impact on the envi-

ronmental, social, and economic dimensions, by creating value for the entire community (called sustainable value) [1]. There are two perspectives to identifying the underlying logic behind the value creation process: the conventional perspective, which focuses on the customers and the focal business, and the sustainability-oriented perspective, which also includes ecological and social outcomes that benefit other stakeholders. The conventional value creation perspective implies the economic dimension of sustainability. Economic sustainability means ensuring economic growth and development without undermining the possibility for future generations to meet their needs. This concept involves using resources to meet present-day needs while preserving and, if possible, enhancing the natural resource reserve for future generations. Since this concept emphasizes short-term economic gain and long-term sustainability, it implies that businesses should create value for themselves and society [18].

According to the conventional value creation perspective, the competitive priorities, such as cost, quality, flexibility, delivery, speed, time, and innovation are determined within the frame of the customers' needs. According to the Resource-Based View, to create value, enterprises need to focus on capabilities and abilities such as human capital, equipment, facilities, knowledge, and competencies as resources [19]. Therefore, in this study, agile leadership and dynamic capabilities have been handled as antecedent variables for creating value based on the conventional perspective, which would contribute to economic sustainability.

Agility for organizations is a concept regarding change: changing the processes, the methods of work, and the answer to the demand of the customers in harmony with the changes in environmental conditions.

Although the definitions of the concept of agility differ from each other, these definitions include three common elements: changing market conditions, uncertainty, and unpredictability due to rapid changes; agility as the organizational competence to deal with these environmental factors; and competitive advantage as the result of organizational restructuring through agility principles [20] (p. 88), [21] (p. 997). In agile leadership, there is an agile leader who can guide a team and continuously influence the team's acts by defining, disseminating, and sustaining the organizational vision [22]. Leadership agility means agility in affecting people and making a change to provide more value to customers [23]. Because agile leadership skills allow one to make the best decision at the best time and quickly integrate the change strategy with the choice of business logic, as well as infrastructure, and implement strategies [24], agile leadership is necessary for enterprises to be agile, display dynamic capabilities, and survive in this new world.

According to Akkaya [9], agile leaders are role models for their followers: open to innovation, flexible, open to change, and result oriented. They are also innovative and follow the market and its competitors. They determine a vision for the future, proceed by planning to reach the vision or organizational aims, and motivate and empower their followers for this vision, and provide psychological security for them.

Leadership success depends on the leadership style applied. To be a successful leader today and in the future, one needs to respond to demands and environmental conditions at that time [25]. According to Prasongko and Adianto [26], the agile leadership model is appropriate to adapt to ambiguous environmental conditions. The environment of the enterprises in which the fourth industrial revolution era has been lived through, additionally COVID-19 pandemic conditions, creates difficulties which have created ambiguity about the future of enterprises. In order to catch opportunities and keep away from risk and threats, the conditions of this environment require dealing with changes and fast decision making as much as possible. Agile leaders have these abilities, and they enable them to flexibly activate the dynamic capabilities of the organization by using these abilities. Because agile leaders set up their initiatives effectively, team up with stakeholders, solve complex problems, and proactively search for feedback on their own performance [27], the crucial elements most capability models focus primarily on are leadership, strategy, and

delivery of performance. To be strong and effective leaders, one of the issues they should excel at is building organizational capabilities [4].

Therefore, the first hypothesis has been formed as follows:

H1: *Agile leadership behaviors have a significant positive effect on dynamic capabilities.*

Dynamic capabilities were originally defined as 'the firm's ability to integrate, build and reconfigure internal and external competencies to adapt to rapidly changing environments. Multiple definitions subsequently emerged. Some of the key advocates agreed on a common new definition of dynamic capabilities as 'the capacity of an organization to consciously create, expand or change its resource base' [28]. Organizational capability is a concept regarding the ability to manage the resources of an enterprise's operations. While the dynamic capabilities of the organization refer to the ability of the enterprise in the processes specifically in relation to both internal and external environments [29], Collis [30] has stated that actual dynamic capabilities manage the rate of change of ordinary organizational capabilities.

Dynamic capabilities are based on the Resource-Based View Theory, which means using the external and internal resources of the organization to redesign processes, extend products and services, and modify the organizational structure to adapt to a complex and continuously changing environment [7,14,31,32]. "Dynamic capabilities relate to the enterprise's ability to sense, seize, and adapt in order to generate and exploit internal and external enterprise-specific competencies and to address the enterprise's changing environment" [13] (pp. 87–88).

The relationship between dynamic capabilities and competitive advantage has been repeated in early studies about the definitions of dynamic capabilities. Researchers in these studies have claimed that dynamic capabilities are antecedents for organizational outcomes such as growth, profitability, and creating value for sustainable competitive advantage [14,16,33–35]. Ansari et al. [36] have revealed that dynamic capabilities as stimulators enable innovation and competitive production, which is able to stabilize in the competitive world.

The concept of value has been used to explain the search for competitive advantages by organizations, and it has been stated that it is related to valuable resources that are rare and difficult to imitate or replace [37,38]. In terms of strategic management, value is a necessity for the competitive advantages of organizations. For Porter [37], the essence of competitive advantage is the highest value customers are willing to pay against the enterprise's manufacturing costs. But, Barney [38] handles the value based on the Resource-Based View Theory, and states that it is achieved to a competitive advantage when the value created cannot be easily copied by competitors [16,37,38].

Creating and maintaining value enable enterprises to gain a competitive advantage. Therefore, managers try to build dynamic capabilities to create value for a sustainable competitive advantage. Because capability-based value-creating strategies cannot be easily imitated by competitors [11,12,38], the dynamic capability view of competitive strategy provides a robust model for the antecedent of innovation for products and services by creating a combination of internal and external resources. Thanks to this model, enterprises can create more value than their competitors. After all, it has been stated by some researchers that dynamic capabilities are able to improve performance and create value [11–14]. Xu and Li [15] have supported this view from the point of view of marketing's dynamic capabilities, via a study. They have the marketing dynamic capabilities to create value for stakeholders such as customers, shareholders, suppliers, and employees, which is important to developing a competitive advantage. They have revealed that marketing's dynamic capabilities have an impact on value creation. Protogerou et al. [33] also demonstrated that dynamic capabilities create value indirectly by changing and strengthening operational capabilities. Vodovoz and May [16] have found that the vision of dynamic capabilities allows the process

of creating value in business models driven by changes in the technological structure of the companies.

Therefore, the second hypothesis has been formed as follows:

H2: *The dynamic capabilities have a positive significant effect on creating value.*

Not only is it not enough to have the resources to create value, but it also needs to be able to combine these resources in harmony to gain a competitive advantage by creating value. Leaders enable the alignment of resources to achieve goals and rapidly take advantage of opportunities in the changing environment by reconfiguring internal or external resources that can be tangible or intangible [16].

According to Teece [39], top managers must have entrepreneurial and leadership skills such as sensing, seizing, and transforming. Thanks to these skills, they can provide a new or improved product or service for customers by sensing and understanding opportunities, starting things up, and finding new and better ways of putting things together. The characteristics of the agile leaders mentioned above are suitable for doing so. Agile leaders have the characteristics of responding and making decisions quickly, being risk-takers, dealing with crises, and leading. Agile leaders can adapt to everything that happens in their environment and society [26]. Especially, the characteristics of agile leaders of being adaptable, innovative, and accepting high ambiguity [26] can affect creating value. On the one hand, agile leaders maintain productivity; on the other hand, they try to achieve the enterprise's main goals by creating value. In order to create sustainable value, it is very important for agile leaders to have the ability to evaluate resource necessities for the future as well as those which are complementarity to resources that are already existing and can be developed.

H3: *Agile leadership has a positive significant effect on creating value.*

The definition of value based on dynamic capabilities has been influenced by Barney's study [38], in which value is handled as a valuable resource that is rare and difficult to imitate or replace. Even resources such as entrepreneurial activity for opportunities, the implementation of business models and processes, and leadership ability applied to these resources have been perceived as antecedent variables in the correlation between dynamic capabilities and the creation of value [38,40,41]. As a type of leadership, agile leadership enables the use of both instilled techniques and new techniques learned by adjusting internal resources to the external environment to create value [42].

Therefore, the last hypothesis has been formed as follows:

H4: *Dynamic capabilities have mediating roles in the effect of agile leadership on creating value.*

3. Methods

3.1. Analytical Method

The issue of this research, by dealing with creating value as a dependent variable, is to create a model in which agile leadership and dynamic capabilities influence this dependent variable. The model has been tested and evaluated within the framework of the data obtained.

The purpose of the study is to determine the mediation role of dynamic capabilities in the effect of agile leadership on creating value and to reveal relationships and interactions among agile leadership, dynamic capabilities, and creating value. Structural Equation Modeling (AMOS) was used to examine the relationship among variables. The main purpose of SEM is to test the set of relationships among one or more independent variables and one or more dependent variables [43]. The most basic feature of SEM studies is that they are completely theory-based. It tries to question the model, which is created by the

researcher within the framework of the theoretical basis. In other words, it enables us to reveal the relationship pattern between a series of variables in the model [44].

The hypotheses and model based on the theoretical framework are shown in Figure 1.

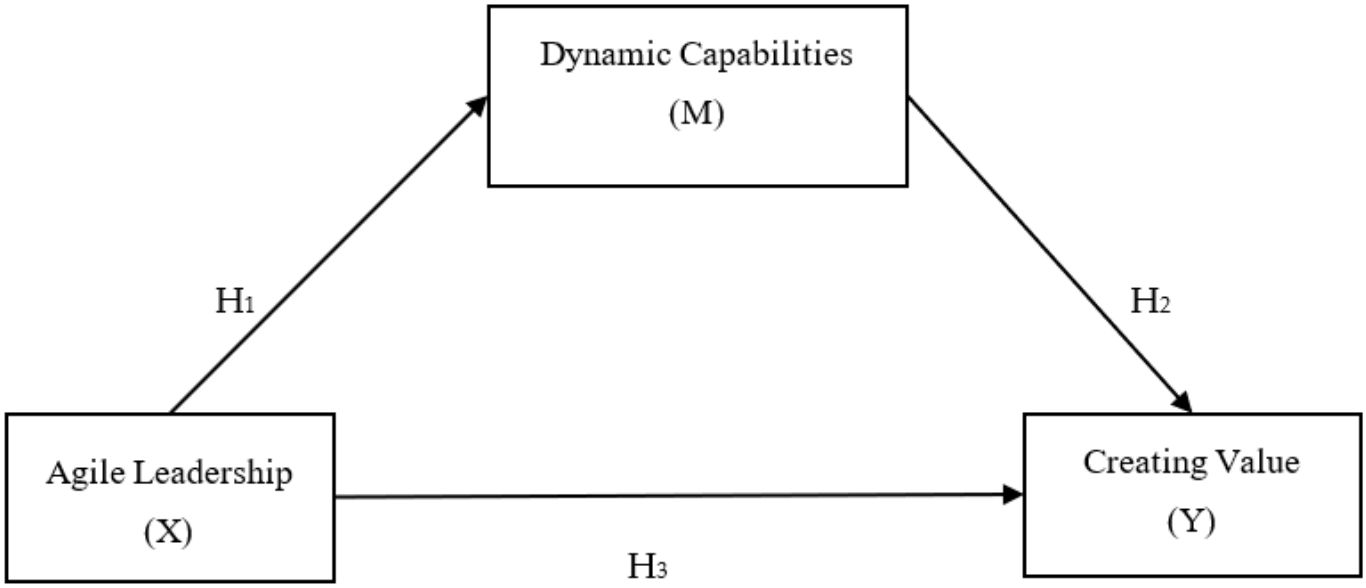


Figure 1. The Hypotheses and Research Model. H1: Agile leadership behaviors have a significant positive effect on dynamic capabilities. H2: Dynamic capabilities have a significant positive effect on creating value. H3: Agile leadership has a significant positive effect on creating value.

3.2. Sample and Data

Based on the topic of the research, the population of the research consists of middle- and senior-level managers working in medium-sized enterprises and large-sized enterprises that have proven their ability to create value for their customers in Turkiye, because they are aware of the enterprise's capabilities due to their involvement in strategic decision-making processes and have a leader due to their positions. A multi-stage sampling method was used when determining the sample. Firstly, medium-sized enterprises and large-sized enterprises in Turkiye have been clustered based on the geographical region. In the following stages, the Marmara Region of Turkiye, and the provinces of Sakarya, Kocaeli, and Istanbul in the Marmara Region were chosen for the reasons of being the locomotives of the Turkish economy. In the final stage, an equal chance was given for middle- and senior-level managers working in medium-sized and large-sized enterprises in these provinces to participate in the research. Thus, the data were obtained from 540 participants representing the population by a simple random sampling method.

3.3. Measurement of Variables

A questionnaire form was prepared to assess agile leadership behaviors, dynamic capabilities, and the levels of creating value. In the first part of the questionnaire, the aim was to gain general information regarding enterprises and participants, such as the sector in which the business operates, the basic product character, the number of employees, age, gender, and educational status. In the second part, it was aimed to measure the agile leadership behaviors of the chief executives of the enterprises by means of 32 phrases developed by Akkaya et al. [45]. In the third part, it was aimed to measure by 15 phrases and 3 dimensions the dynamic capabilities of the enterprises, which has been gained from [46], and in the last part, it was aimed to measure the perception of creating value by 21 evaluation phrases and 4 dimensions, which has been gained from [47]. From the second part of the questionnaire form to the end of the questionnaire, the 5-point Likert

scale changed from "1-strongly disagree" to "strongly agree" for each phrase. The all of scales can be seen in Appendix A.

4. Results

It is recommended to check the correlation between variables for direct and indirect relationships. Thus, it was first applied to the correlation analysis to see the relationship among variables in the research model. The result is presented in Table 1. It is seen that there is a medium, high, and significant correlation between variables.

Table 1. Correlations Among Variables.

		Agile Leadership	Creating Value	Dynamic Capabilities
Agile Leadership	Pearson Correlation	1	0.528 **	0.740 **
	Sig. (2-tailed)		0.000	0.000
	N	540	540	540
Creating Value	Pearson Correlation	0.528 **	1	0.522 **
	Sig. (2-tailed)	0.000		0.000
	N	540	540	540
Dynamic Capabilities	Pearson Correlation	0.740 **	0.522 **	1
	Sig. (2-tailed)	0.000	0.000	
	N	540	540	540

** Correlation is significant at the 0.01 level (2-tailed).

According to Baron and Kenny [48], mediation functions to counteract any effect between the two variables. The effect level between agile leadership and value creation should be tested before checking the mediation role of dynamic capabilities. In the mediation test with structural equation modeling, the direct effects model without the mediating variable first needs to be tested. In the next step, by adding a mediator variable to this model, it is checked whether the relationship between dependent and independent variables becomes meaningless [43].

The modeling path of the direct effect of agile leadership on value creation is shown in Figure 2. Figure 2 and Table 2 show that the path coefficient value for the effect of agile leadership behaviors on creating value is positive and significant. Therefore, H3 has been accepted.

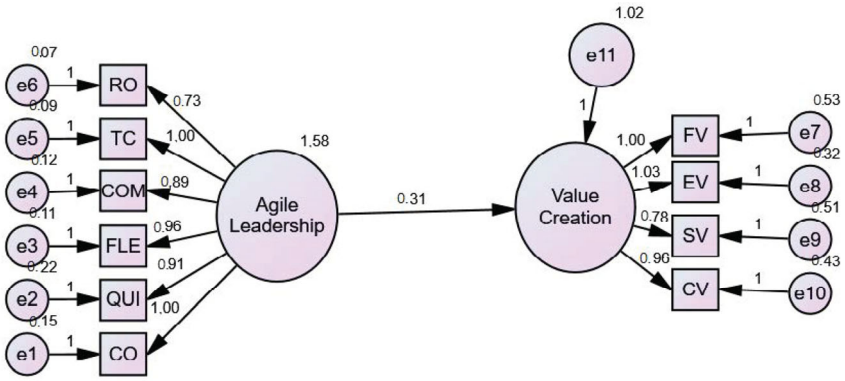


Figure 2. The direct effect of agile leadership on value creation.

Table 2. The Direct Effect of Agile Leadership on Creating Value.

	Estimate	S.E.	C.R.	P	CMIN/DF	CFI	GFI	IFI	RMSEA
Creating Value <--- Agile Leadership	0.308	0.054	50.734	***	20.877	0.982	0.928	0.983	0.072

*** The value of the path coefficient is significant at the 0.00 level. <--- The Path from Agile Leadership to Creating Value.

According to James and Brett [49], if the direct effect of the independent variable on the dependent variable has been eliminated in the mediating model and the effect of the independent variable on the dependent variable occurs indirectly through the mediating variable, then it can be said to have a full mediation effect. When dynamic capabilities were included in the model as the mediating variable, the value of the path coefficient of agile leadership on creating value was reduced and was of no statistical significance.

The harmony indices for the new model showed that CMIN (2) was 4.28, $p = 0.000$; RMSEA was 0.051; CFI was 0.959; IFI was 0.959; and GFI was 0.870. It is clear from Table 3 that the value of the beta coefficient linking agile leadership to value creation has reduced from 0.31 to 0.02 and has no statistical significance. According to the results of these analyses, in terms of the effect of agile leadership on creating value, dynamic capabilities create a full intermediary effect. Figure 3 shows the new mediating model, in which dynamic capabilities are included as mediators.

Table 3. Overview of the dependent and independent variables.

Variables	Sub-Dimensions	Items	Cronbach's Alpha
Agile Leadership	Result-oriented	8	0.975
	Team collaboration	8	0.977
	Competency	5	0.930
	Flexibility	5	0.946
	Quickness	3	0.901
	Change-oriented	3	0.945
Total			0.902
Dynamic Capabilities	Strategic	6	0.946
	Timely decision	4	0.944
	Change implementation	5	0.955
Total			0.979
Creating Value	Functional	5	0.915
	Experimental	5	0.942
	Symbolic	5	0.963
	Cost	5	0.949
Total			0.985

Table 3 contains the Cronbach's Alpha Coefficients of the variables and their subdimensions. Cronbach's Alpha Coefficient investigates whether the "k" question in the scale represents a whole that has a homogeneous structure. If the Cronbach's Alpha Coefficient is $0.80 \leq \alpha \leq 1$, the scale has a high reliability [50]. Therefore, Cronbach's Alpha Coefficients for variables and their sub-dimensions are highly reliable.

As seen in Table 4, agile leadership has a positive effect on dynamic capabilities ($p < 0.05$). Therefore, H_1 is accepted. Also, it can be assumed that dynamic capabilities can impact creating value directly ($p < 0.05$). Thus, H_2 is accepted. Since the direct impact of agile leadership on creating value is not significant after dynamic capabilities enter the

model, the beta coefficient for agile leadership is reduced from 0.31 to 0.02 ($p > 0.05$). It is concluded that there is a full mediation role for dynamic capabilities in the effect of agile leadership on value creation. Therefore, H_4 is also accepted.

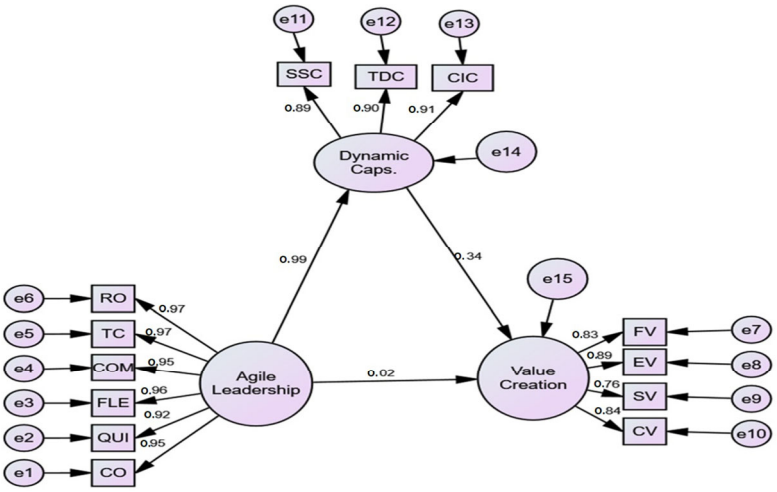


Figure 3. The mediation role of dynamic capabilities.

Table 4. Multiple Regression Weight and Hypotheses Testing.

Direct Paths			Estimate	S.E.	C.R.	*p*
H1: Dynamic_Caps	<---	Agile_Leadership	0.913	0.035	260.417	***
H2: Value_Creation	<---	Dynamic_Caps	0.032	0.033	90.969	***
H4: Value_Creation	<---	Agile_Leadership	0.017	0.054	0.321	0.748

*** The value of the path coefficient is significant at the 0.00 level. <--- The path from one variable to another variable.

5. Discussion

This research focuses on the effect of agile leadership on creating value and how dynamic capabilities moderate that relationship. It can be said that this article aims to contribute to a leadership-based theory of dynamic capabilities and creating value for sustainable competitive advantage by handling leadership as a valuable resource. Also, agile leadership and dynamic capabilities are considered as resources of creating value which would contribute to economic sustainability.

The research model was created within the framework of the information in the literature and previous studies. To examine the interaction among variables in the model, the data were gained from 540 participants working as middle- and upper-level managers in medium-sized and large-sized enterprises in Sakarya, Kocaeli, and Istanbul provinces in the Marmara Region of Turkiye.

Firstly, the effect level between agile leadership and value creation was tested before checking the mediation role of dynamic capabilities. Because this is the first step of the mediation test with structural equation modeling, in the next step, by adding a mediator variable to this model, it is checked whether the relationship between dependent and independent variables becomes meaningless. The path coefficient value for the effect of agile leadership behaviors on creating value was positive and significant. This finding was consistent with implications from the literature. Prasongko and Adianto [26] have proposed that agile leadership is essential to ultimately gain competitive advantage by developing capabilities. Also, Teece [39] has emphasized that the entrepreneurial and leadership skills of managers are necessary to provide a new or improved product or service for customers.

When dynamic capabilities were included in the model as the mediating variable, the value of the path coefficient of agile leadership on creating value was reduced and was of

no statistical significance. It meant that dynamic capabilities had a full intermediary effect on the impact of agile leadership on creating value. This result of analyses was consistent with the findings or implications of other studies. By examining the role of the CEO in the continuous innovation of Amazon in the direction of an agile mindset, Denning [23] has revealed that since Amazon has acquired new skills owing to the CEO, Amazon has been agile and more proficient as the world's largest organization. Vodovoz and May [16] have not only implied that leaders would be able to create value by appropriately using dynamic capabilities, but also, they have found that the vision of dynamic capabilities allows the process of creating value in business models driven by changes in the technological structure of the companies. Marques [51] did not conduct empirical research but he has stated that agile skills of leaders are necessary to adapt enterprises to circumstances.

According to the result of the analysis, agile leadership had an impact on dynamic capability. This finding was consistent with the implications or findings of other studies in the literature. According to the implication in Chandler's study [42], good leaders continuously scan enterprises' external and internal environments and know when to make necessary adjustments by using not only existing techniques, but also new techniques learned. Adhiatma et al. [52] also concluded that agile leadership has an impact on dynamic capability.

The harmony between the research model that presents the interaction among three variables and the data set was good. This study provides empirical evidence of the positive effect of agile leadership on creating value based on the conventional perspective for sustainability and the mediating role of dynamic capabilities in this effect.

6. Theoretical and Practical Implications

There are several significant implications of this study for management theory and practice.

First, the results are consistent with the idea that agile leadership or leadership contribute to creating value. This offers crucial direction for managers to create agile companies, because enterprises aim for a sustainable future. They need to establish different ways of thinking and act in favor of sustainability by integrating their technical and intellectual resources [17]. Prasongko and Adianto [26] have proposed agile leadership to develop capabilities for competitive advantage in the Industrial Revolution 4.0 era. However, they did not offer empirical data supporting it. Teece [39] claims that managers must have entrepreneurial and leadership skills so that they are able to provide a new or improved product or service for customers by sensing and understanding opportunities, starting things up, and finding new and better ways of putting things together. Vodovoz and May [16] have merely implied that leaders would be able to create value by appropriately using dynamic capabilities. As seen, there are notable gaps in the literature about the sustainable effect of the leader on organizational outcomes for sustainability. Most studies about leadership have overlooked important processes such as structuring and using organizational capabilities. Therefore, the current study has offered empirical support as to how agile leadership enhances creating value for customers.

Second, this research plays a crucial role in explaining the mediating role of dynamic capabilities and the effect of agile leadership on value creation. The results of this analysis are consistent with the findings of other studies, which are about the sustainable effect of the leader on organizational outcomes [52]. These results imply that creating value based on the leaders' agility receives support from the appropriate use of their dynamic capabilities. Economic development is a complex expression that includes qualitative and quantitative changes to restructure the production system with the implementation of modern strategies for handling capital [53]. Leadership and dynamic capabilities are some of the qualitative and quantitative elements aforesaid, which ultimately contribute to economic development. Leaders discharge their economic functions by affecting their subordinates to use the dynamic capabilities of an organization. Alharbi and Farea [53] have proven that the growth of the managers' economic functions depends on the incorporation

of the sub-dimensions of transformational leadership such as idealized influence, inspiring motivation, intellectual stimulation, and individualized consideration. Burawat [54] has also empirically proven that both transformational leadership and sustainable leadership have positive effects on sustainability performance.

Agile leadership has an impact on dynamic capability. These results imply that leaders' agile management-based value generation is ingrained in their dynamic capabilities. The need for improvement and adaptation to the external environment of organizational capabilities is no longer a competitive advantage but an obligation to survive. According to Chandler, good leaders continuously scan enterprises' external and internal environments and know when to make necessary adjustments. They employ not only instilled techniques, but also new techniques learned [42]. Therefore, it can be said that it is especially easy for agile leaders, because they are suitable for catching opportunities and keeping away from risk and threats, to create value in responding to their customers' demands due to the features aforesaid in the section on background.

Also, Kollenscher et al. [10] propose a value-creating leadership model by integrating the levers and the effects of the three approaches, such as creating direction, motivating, and organizational structuring. Actually, the value-creating leadership model implies agile leadership since the sub-dimensions of agile leadership comprise three approaches such as creating direction, motivating, and organizational structuring. Agile leaders can enhance their agility and action to make desired changes by influencing others and using their dynamic capabilities [55]. They continuously clarify the organizational vision for the team members by observing environmental changes [22]. As Lindgreen et al. [56] highlight, managers should follow through with the three different and related activities. Firstly, managers need to determine which resources in the enterprise's resource portfolio to use, accumulate, or divest. Second, they need to improve, extend, and create dynamic capabilities by integrating the resources determined. Finally, they need to deploy these capabilities to exploit market opportunities and create value for the enterprise's customers.

Thirdly, adapting to shifting economic and social situations is the major problem facing contemporary enterprises. This study unequivocally demonstrates that agile leadership is the solution to the issues facing modern enterprises that want to create value to survive in the competitive market. Agile leadership can be a valuable resource to gain organizational resilience to disruptive changes and competition. Presently, enterprises need a combination of skills such as technical skills, operational skills, human relationships, and conceptual skills; otherwise, they cannot survive [54]. These characteristics are necessary factors to for sustainability performance [57] and imply the dynamic capabilities. Dynamic capabilities mean, in short, using the external and internal resources to adapt to a complex and continuously changing environment [7,14,31,32] and they are antecedents for organizational outcomes such as growth, profitability, and creating value for economic sustainability. It can be claimed that in addition to agile leadership, dynamic capabilities would contribute to economic sustainability.

This study has revealed empirical data supporting a mechanism that can explain the beneficial association between agile leadership and value creation based on dynamic leadership abilities. In this respect, it is crucial to keep in mind that the leader plays a key role in creating value and encouraging agile employees to reach for top management roles in enterprises.

According to this study's findings, there is a statistically significant positive link between agile leadership and value creation. As a result, it may be assumed that dynamic capabilities are a driving factor in companies' abilities to provide successful work outputs for economic sustainability. The findings advise creating positive interactions within the competence, goodness, and agility of leaders towards subordinates to build an atmosphere of dynamic capabilities in organizations. Developing dynamic skills helps employees operate well together. Additionally, current research suggests that business professionals should encourage the advancement of dynamic staff in leadership positions to recognize the value of agile leadership in leading teams and groups. This study's conclusion emphasizes

the need for agile leadership to create value built on dynamic capabilities, which provides the economic sustainability of modern enterprises.

7. Limitations and Direction of Future Research

The author accepts the limitations of this study, notwithstanding the uniqueness of the research issue. The most important of the limitations was the lack of reliable data that enabled comparison of the findings of the study. Moreover, studies that would be able to compare the results of the current study have been interrupted recently. This study would be the latest knowledge in this field; the concept of agile leadership is new. Therefore, there are few studies that this variable handles with dynamic capabilities; there is no study that handles the variables of this study together or with the variable of creating value. Another limitation is related to the quantitative examination of respondents' opinions on the subject matter of the research. Additionally, the results are specific to one country since only enterprises in Turkiye were included in the research sample. In the future, studies about the interaction among leadership styles, dynamic capabilities, and creating value can be conducted in other countries or in a specific industry. Also, a detailed analysis of respondents' perceptions based on qualitative tools can be used. Moreover, other stakeholders can be included in future studies about creating value based on the sustainability-oriented perspective and examined the role of agile leadership and dynamic capabilities on value created for these stakeholders.

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Data Availability Statement: Data are available on request due to restrictions, e.g., privacy or ethical. The data presented in this study are available on request from the corresponding author. The data are not publicly available due to primary data, which have been gained from managers who are currently working. They have been promised for privacy while gaining the data.

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Appendix A. Scales for Variables of Study

Agile Leadership		
Reference	Factor	Scale Items
[45]	Result-Oriented	It has a strategic vision to achieve the goals of our company.
		It creates a suitable working environment for employees to develop creativity and discovery-oriented behaviors.
		It assigns the right person to the right job at the right time.
		It gives more importance to short-term goals to increase the company's profits.
	Competency	The incentives and bonuses given by her/him positively affect the behavior of the employees.
		It ensures that employees are aware of why they do that job.
		She/he leads her/him subordinates with her/him actions rather than her/ him words.
		It rewards innovative ideas and practices.
		It motivates its subordinates.
		It offers a working environment, social opportunities, and job security with high quality to its subordinates.

[45]	Team Collaboration	It pays attention to ensuring and developing cooperation among our company's departments.
		It includes its subordinates in the decision-making processes in all processes and stages from the pre-production of the product or service until it is delivered to the customer.
		It rewards team performance rather than individual performance.
		It pays attention to team cooperation rather than individuality.
		It pays attention to developing its subordinates thanks to the effective feedback culture.
		It allows employees at any level to demonstrate their leadership on an issue.
		It has a high ability to persuade its subordinates.
	Change Oriented	It has sufficient up-to-date technological knowledge to follow market trends.
		It reaches subordinates quickly by using social media and new technology-based communication channels.
		It prepares our company in advance for environmental and technological changes.
		Since it enables quick decision-making, it does not concentrate all the authority on itself, but delegates the authority to the experts in the field.
	Flexibility	It makes flexible plans to produce different products and models.
		It pays attention to the flexibility to produce different amounts of products and services in line with technological and environmental changes.
		It is flexible regarding personnel exchange between departments or teams within the scope of human resources policies.
		It allows subordinates to be flexible about their working hours.
		It does not insist on subordinates doing work they do not believe in.
	Quickness	It pays attention to delivering products and services to the customer as soon as possible.
		Decision-making speed in production processes is high.
		It acts quickly to produce products that would be in demand in the market and to bring these products to the market.
		It feels environmental and technological changes.
		It has the knowledge, skills and ability to adapt new technological products and services to our company.
		It strives to respond to changes in customers' expectations and demands as soon as possible.

Dynamic Capabilities		
Reference	Factor	Scale Items
[46]	Strategic sense-making capacity	We can perceive environmental change before competitors
		We often have meetings to discuss the market demand
		We can fully understand the impact of the internal and external environment
		We can feel the major potential opportunities and threats
		We have a perfect information management system
		We have good observation and judgment ability
	Timely decision-making capacity	We can quickly deal with conflicts in the strategic decision-making process
		Under many circumstances, we can make timely decisions to deal with strategic problems
		We can remedy quickly to unsatisfactory customers
		We can reconfigure resources in time to address environmental change

[46]	Change implementation capacity	Our strategic changes can be efficiently carried out
		Good cooperation exists among different functions
		We help each other in strategic change implementation
		We have a proper awarding and controlling system
		We can efficiently improve strategic change implementation
Creating Value		
Reference	Factor	Scale Items
[47]	Functional/ Instrumental Value	Compete by creating useful products.
		Compete by creating correct/accurate attributes.
		Compete by appropriate performances.
		Compete by appropriate outcomes.
		Value-chain activity/resource allocation consistent with functional value creation.
	Experiential/ Hedonic Value	Compete by creating sensory value or appealing to the senses.
		Compete by creating appropriate emotions (fun, pleasure, excitement, relaxation, etc.).
		Compete by facilitating social relationships (bonds, attachments, togetherness).
		Compete by creating epistemic value (knowledge, novelty, fantasy).
		Value-chain activity/resource allocation consistent with experiential value creation.
	Symbolic/Expressive Value	Compete by enhancing self-identity, self-concept, self-worth.
		Compete by creating personal meaning.
		Compete by facilitating self-expression.
		Compete by creating social meaning (status, prestige, image).
		Create value by providing cultural meaning, enabling customers to better celebrate cultural, religious, or other holidays or events.
		Value-chain activity/resource allocation consistent with symbolic value creation.
	Cost/Sacrifice Value	Compete by offering economic value (low prices, value in use, life costs).
		Compete by minimizing psychological investment of customers (ease of use, ease of doing business, simplicity, availability, accessibility).
		Compete by minimizing personal investment of customers (time, effort, energy).
		Compete by minimizing customer risk (personal, technological, strategic).
		Value-chain activity/resource allocation consistent with cost/sacrifice value.

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