EVALUATING THE ROLE OF AGILE METHODOLOGIES IN ENHANCING ORGANIZATIONAL ADAPTABILITY IN DYNAMIC PROJECT ENVIRONMENTS: PBOS IN SRI LANKA

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Abstract

Project-based organizations (PBOs) in volatile environments face the challenge of responding to dynamic project requirements while managing stakeholder expectations and formal project requirements. This qualitative study, based on the dynamic capabilities paradigm, examines how practitioners perceive the relationship between Agile methodologies and organizational adaptability in the Sri Lankan PBO context, with an emphasis on sectors other than IT, which remain underrepresented in Agile research. Semi-structured interviews were conducted with 10 practitioners who had practical experience leading or working on projects using Agile or hybrid approaches in IT (n=6), construction (n=2), and international development (n=2). The interview data were analyzed thematically with emphasis on three dimensions of adaptability reflected in their accounts: timely decision-making, early identification of project risk and change, and proactive stakeholder engagement. Results show that participants associated higher levels of responsiveness to changing project conditions with iterative delivery, shorter planning cycles, regular stakeholder feedback, and collaborative team structures, but also that Agile adoption was sector-specific, and that constraints to wider Agile adoption included contractual requirements, hierarchical decision-making, formal procedures, accountability requirements, and limited flexibility. At the same time, hybrid approaches were described as a common practice to combine iterative practices with existing project governance and sequential requirements. This study contributes to the dynamic capabilities perspective by proposing that the relationship between Agile practices and organizational adaptability is contingent upon contractual, hierarchical, and governance conditions that influence the level of team change adaptability, with organizations that implement Agile benefitting from bounded pilot projects, visible leadership support, contextual adaptation, and role-specific practical training. The small qualitative sample size means that the findings are preliminary, practitioner-based insights and should not be considered statistically generalizable.

Keywords: Agile, Dynamic project requirements, Hybrid approaches, Iterative Delivery, Project-Based Organizations.