Adaptive Structures

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For any business to be successful today, it needs to be adaptive. The contemporary business environment is very susceptible to change. Many factors increase the need to change, such as developing technology, new innovative models of operation, an increase in competition, and globalization, among other things. For a business to be flexible enough for such changes, it needs to develop adaptive structures. For my course project, I had a chance to interview an employee from Group 1 Automotive in Houston, Texas. This is an international automotive dealership that has been able to achieve success locally and internationally in spite of the competition in the market. Thus, I thought it would be interesting to find out the adaptive structures that the organization may have in place to remain on top of its field.

**Does the product or customer segment group structure the organization?**

Group 1 Automotive's strategy for success is to extend its geographic reach and the number of brands sold under its dealership. According to the employee interviewed, the company's main focus is to develop industry-leading customer service because they believe this is the main way they can appeal to an extended market. They also target a very wide range of customers given that they sell cars in almost all makes and models, which include both new and used cars. Looking at the product and the customer segment groups targeted by this company, it is evident that their strategy has informed the structural formation of the organization. The business has developed a matrix form of structure that is divided into functional departments as well as regional departments. They have branches in various parts of the United States, the United Kingdom, and Brazil. In each of the regions, there is a functional organizational structure that is used to manage various business operations. The organization's regional structure helps ensure that the business achieves success in each of these areas. Thus, the business is able to achieve its strategy of extending its market. The functional structures in each region help ensure that the customers are satisfied in each region.

**Does it use teams and networks, market price across multiple profit centers, or partnerships with outside partners to adapt rapidly to changes in its environment?**

Group 1 Automotive uses more than one strategy to be an adaptable organization. First, it uses teams within its organization and networks that it has developed outside of the organization to remain competitive in its market. Within this organization, the employees are advised to have innovative thinking. The organization enables this innovation by creating a collaborative environment. Outside the organization, the company has partnered with other businesses, such as car manufacturers, to avail quality products for their customers. According to Jones (2013), creating networks both within and outside the organization is important for a competitive business. The teams within the organization create the commitment to enhance performance in a manner that makes the organization innovative. On the other hand, the networks give the business the resources it needs to adjust and become competitive.

Leadership is also a significant factor that makes a business adaptive. Group 1 Automotive has more of a flat leadership structure. Although the organization has a management hierarchy, the decision-making and work of the employees are not really managed based on this hierarchy. The employees are more open to making decisions on how they would want to improve the sales of the vehicles. Nonetheless, the organization uses experimentation at every year-end to examine the effectiveness of the employees and ensure that they remain on the right track. Claver-Cortés et al. (2012) support a self-managing structure because it gives employees a chance to be more creative and innovative outside of the company guidelines in their work. Therefore, this structure is a contributing factor to the adaptive nature of this business.

This organization is basically a large system that acts small by dividing itself into teams that take care of various responsibilities that enhance its competitiveness. The business depends on the individual contribution of its members as well as the teams that make it up, but the management does not run them in a rigid structure of rules and regulations. They get to overcome the disadvantages of departmental silos through the maintenance of efficient communication between each of the departments of branches. Each department has a manager who is evaluated just like the rest of the employees at the end of the year. Thus, the managers must maintain communication to ensure that they collaborate to contribute to the company's overall success.

In summary, this business's adaptability is enhanced by how it has structured its business and how it interacts with stakeholders within and outside the organization. The organization's structure has been developed to enhance the strategy's achievement, while the organizational interactions have been created to enhance the employees' innovativeness.

**References**

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