

COMPETITIVE ADVANTAGE OF AN AGILE ORGANIZATION AS A DETERMINANT OF THE FUNCTIONING OF THE GLOBAL MARKET

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Abstract: The aim of the article is to examine the role of an agile organization as a key factor determining the competitiveness of enterprises on the global market. The hypothesis assumes that the implementation of agile management methods allows companies to respond faster to changing market conditions, which leads to increased innovation and higher customer satisfaction. The most important conclusions indicate that organizational agility brings numerous benefits, including better resource management, process optimization and increased operational efficiency. The added value of the article is to present practical recommendations for companies regarding the implementation of agile practices, which can contribute to achieving lasting success and stable development in a dynamic business environment.

Keywords: agile organization, competitive advantage, global market, enterprise

7. Introduction

In the face of dynamic economic changes and growing competition on the global market, enterprises must demonstrate extraordinary flexibility and the ability to quickly respond to changing conditions (Awasthi & Awasthi, 2023). An agile organization, also known as an Agile Organization, is becoming a key operating model that enables companies not only to survive, but also to achieve a sustainable competitive advantage (Bhati, Hansen, & Chan, 2017). The introduction of agile management methods allows enterprises to take an iterative and incremental approach to project implementation, which is necessary in an environment characterized by unpredictable changes (Attar, Almusharraf, Alfawaz, & Hajli, 2022). This article addresses the topic of an agile organization as a determinant of functioning on the global market, analyzing its key features, benefits and challenges related to its implementation. The aim is to present how organizational agility affects the competitiveness of enterprises and what strategies can contribute to effective change management in a dynamically changing market environment.

8. Agile organization by definition

An agile organization, also known as an Agile Organization, is a concept of managing and operating enterprises that are characterized by flexibility, adaptability and the ability to quickly respond to changing market conditions. The key feature of such an organization is the ability to constantly adapt to dynamic and often unpredictable changes that occur in both the internal and external environment. The foundation of an agile organization is the principle of an iterative and incremental approach to project implementation and daily operational activities (García-Granero, Piedra-Muñoz, & Galdeano-Gómez, 2020).

Organizational agility is based on several basic elements. First, the organizational structure must be flat and decentralized, which means that decisions are made at lower levels of management, closer to where the actual work occurs (Alshehhi, Nobanee, & Khare, 2018; Borowski, 2021). This management model promotes a faster flow of information and increases the ability to immediately respond to changing conditions (Adan & Fuerst, 2016). Another important aspect of an agile organization is an organizational culture based on cooperation, trust and continuous improvement. Employees are encouraged to take initiative, share ideas and actively participate in decision-making processes. It is also important to promote open communication and transparency, which enable quick identification of problems and joint development of solutions (He & Harris, 2021).

Agile methodologies such as Scrum, Kanban and Lean are often used in agile organizations to streamline work processes and increase team effectiveness. These methodologies emphasize regular reviews and retrospectives, which allow teams to continually assess progress and make necessary modifications. Thanks to this, the organization can quickly adapt to new requirements and reduce the risks associated with long-term planning (Skyrius & Valentukevič, 2020).

Information technology plays a key role in supporting organizational agility. Tools for project management, communication and data analysis allow for quick collection and processing of information, which supports making informed and accurate decisions. Thanks to the use of modern technologies, organizations can also better manage resources, optimize processes and increase their competitiveness on the market (Womack & Jones, 2003).

Organizational agility brings numerous benefits, including increased innovation, greater customer satisfaction, and higher operational efficiency. Organizations that can respond quickly to changing market conditions are better able to take advantage of emerging opportunities and cope more effectively with threats. The ability to quickly introduce innovations allows you to create products and services that better meet customer needs, which translates into their greater loyalty and satisfaction (Jones & Adam, 2023).

Organizational agility also poses challenges that require an appropriate approach and change management. The introduction of agile practices may encounter resistance from employees who are accustomed to traditional working methods. A key element of success is

therefore effective change management, which includes education, training and support for employees in the process of adapting to new ways of operating (Doz & Kosonen, 2008). An agile organization is a functioning model that requires continuous improvement and openness to changes. Organizations that decide to adopt this approach must be prepared to constantly adapt their strategies, processes and structure to be able to respond effectively to dynamic and unpredictable changes in the market environment.

9. Competitive advantage of enterprises and its determinants

The competitive advantage of enterprises is a key element that allows companies to stand out from the competition and achieve better results in the market. It is a set of unique characteristics, resources and skills that enable a company to offer better value to customers than its competitors. The determinants of competitive advantage are diverse and include both internal and external aspects, which together create a solid basis for building a lasting market position (Nath & Agrawal, 2020).

One of the fundamental determinants of competitive advantage is innovation. Enterprises that can introduce innovative products, services or processes gain a significant advantage over their competitors. Innovations can encompass both technological and organizational aspects, enabling companies to offer unique solutions that better respond to customer needs and changing market conditions (Prieto & Talukder, 2023).

Another important determinant is the quality of products and services. Companies that are able to deliver higher quality products gain customer trust and loyalty, which translates into a stable source of revenue and greater resistance to competition. Quality may be defined in different ways, depending on the industry, but it is always related to customer satisfaction, reliability, and meeting or exceeding market expectations (Rahimi & Mansouri, 2019).

Cost management is another key determinant of competitive advantage. Businesses that can effectively control and reduce operating costs are able to offer their products and services at more competitive prices while maintaining healthy profit margins. Effective cost management requires process optimization, waste elimination and implementation of effective production and management technologies (Porter & Kramer, 2006).

A strong brand and reputation in the market also play a key role in building a competitive advantage. Enterprises that have managed to build a recognizable and valued brand gain an advantage in the form of greater customer loyalty, easier introduction of new products and better perception of the value of the products offered. Reputation is the result of long-term activities that include product quality, customer service, ethical business practices, and social responsibility (Ramadhana, 2021).

Human capital is another important determinant of competitive advantage. Enterprises that have highly qualified, motivated and committed staff are better able to respond to changing market conditions, introduce innovations and provide higher quality products and services. Talent management, competence development and building an organizational culture conducive to creativity and cooperation are key elements of a human capital strategy (Rosário & Raimundo, 2021).

Access to resources and technology also affects a company's ability to achieve competitive advantage. Companies that have modern technologies, unique resources or access to strategic raw materials are able to offer better products, introduce innovations faster and manage production processes more effectively. It is also crucial to have appropriate financial resources that enable investing in development and adaptation to changing market conditions (Borowski & Karlikowska, 2023).

Relationships with customers and business partners are another important determinant of competitive advantage. Enterprises that can build lasting and beneficial relationships with customers, suppliers and other stakeholders gain stable foundations for long-term development. Good customer relationships lead to greater loyalty, more frequent purchases, and positive word-of-mouth marketing, while strong relationships with business partners enable better coordination of activities and more effective supply chain management (Luo, Ren, Cao, & Hong, 2020).

Competitive advantage is therefore the result of a complex combination of various factors that together create unique value for customers and allow the company to stand out from the competition. Effective use of these determinants requires a strategic approach, constant monitoring of the market environment and readiness to adapt and introduce innovations. Enterprises that can effectively build and maintain a competitive advantage are able to achieve lasting success and stable development in a dynamically changing business environment.

10. Agile enterprises in the aspect of global market challenges

Agile enterprises must face many challenges brought by the global market (Chen & Siau, 2020; Chen & Li, 2021). In the era of globalization, companies operating on various markets must demonstrate not only flexibility, but also the ability to quickly adapt to changing conditions. These challenges include economic, technological and cultural aspects, and their effective management is crucial to maintaining competitiveness and stable development (Kt & Sivasubramanian, 2023).

One of the main challenges is managing global supply chains. Enterprises must coordinate activities with suppliers, manufacturers and distributors from different parts of the world, which requires effective logistics and reliable management systems (Brown, 2009). Agility in supply

chain management means the ability to quickly respond to disruptions such as delivery delays, changes in customs regulations or quality issues. The key here is the use of modern information technologies that enable tracking and management of the flow of goods in real time (Mrugalska & Ahmed, 2021).

Another challenge is cultural diversity and its impact on team management and communication with clients (Sedej & Justinek, 2021). Companies operating in different markets must take into account local customs, languages and consumer expectations. Agile organizations must therefore invest in the development of intercultural competences, which allows for the effective management of international teams and building relationships with clients from different cultures (Sajdak, 2021). Understanding and respect for cultural diversity are essential to successfully conduct business in the global marketplace (Kocot & Kwasek, 2022).

Changing legal and political regulations pose another challenge for agile enterprises. Companies need to stay up to date with international regulations, which often vary from country to country. Agility in this context means the ability to quickly adapt to new regulations, as well as proactive monitoring of legislative changes. Businesses also need to deal with political risks, which can impact the operational stability and predictability of the markets in which they operate (Munodawafa & Johl, 2019).

Technological development and innovation are both an opportunity and a challenge for agile enterprises. Companies must constantly monitor new technologies and adapt them in their operations to remain competitive. Agility in this aspect means the ability to quickly implement new technological solutions and continuously improve existing processes. At the same time, enterprises must manage risks related to cybersecurity and data protection, which is especially important in the context of the global market (Kurnia & Chien, 2020).

Sustainability and social responsibility are another significant challenge. The global market requires companies not only to be profitable, but also to act in accordance with the principles of sustainable development and business ethics. Companies must implement strategies that minimize their impact on the natural environment and promote social responsibility. Agility in this context means the ability to integrate the principles of sustainable development in everyday activities and respond to the growing expectations of customers and regulators in terms of environmental protection and social responsibility (Raschke, 2010).

The dynamics of global competition force enterprises to constantly monitor and analyze competitors' activities. Companies must be able to respond quickly to changing market conditions and initiatives taken by competitors. Agility in the context of competitiveness means the ability to quickly introduce product and process innovations, as well as flexibility in adapting marketing and sales strategies (Routledge, 2020).

Talent management in the global market is a significant challenge for agile enterprises. Companies must not only attract and retain the best employees, but also develop their skills in the context of global requirements. Agility in talent management includes implementing

competency development programs, promoting international mobility, and creating an organizational culture conducive to innovation and collaboration (Joiner, 2019).

The presented challenges require a strategic approach and the ability to quickly adapt to changing conditions from agile enterprises. Companies that can effectively manage global supply chains, cultural diversity, regulations, technologies, sustainability, competition and talent gain a significant advantage in the global marketplace. Agility is therefore becoming not only a desirable feature, but also necessary to achieve lasting success and sustainable development in a dynamically changing business environment.

11. The path to obtaining a competitive advantage of an agile organization on the global market – a case study

The path to gaining a competitive advantage for an agile organization in the global market can be perfectly illustrated by the example of Spotify, which is one of the leaders in the streaming music market. Spotify gained a competitive advantage by using agile management methods, which allowed for dynamic development and adaptation to changing market conditions. Initially, the company focused on creating an innovative music streaming platform that was to be easily accessible and user-friendly. A key element of the strategy was the ability to quickly respond to market needs and continuously introduce improvements and new functions. The agility of the organization allowed for regular updates of the application and adaptation to user expectations (Li & Karahanna, 2015).

Spotify's organizational culture is based on the autonomy of teams that work in small, agile groups called "squads". Each team is responsible for a specific aspect of the product and has full autonomy in making decisions regarding its development. This organizational structure favors innovation and quick implementation of new ideas. Teams are supported by "tribes", "chapters" and "guilds" that enable cooperation and knowledge exchange between different parts of the organization (Boudreau & Ramstad, 2005).

The company's technological approach includes the use of advanced algorithms and data analysis, which allows for personalization of user experiences. Thanks to this, Spotify is able to recommend music according to individual preferences, which increases user engagement and loyalty. Data analysis also enables quick identification of market trends and adaptation of the offer to changing musical tastes (Li & Karahanna, 2015).

The company's global reach required effective management of cultural diversity and adaptation of the offer to the specificity of local markets. Spotify introduced regional playlists and cooperated with local artists, which allowed it to build a strong position in various markets. Thanks to its agility in adapting to local preferences, the company was able to quickly acquire new users around the world. Talent management at Spotify plays a key role in building

competitive advantage. The company invests in the development of its employees' competences, offering numerous training programs and career development opportunities. An agile approach to talent management also includes flexibility in remote and hybrid work, which allows you to attract and retain the best specialists from different parts of the world (Spotify, 2021).

Spotify constantly monitors competitors' activities and dynamically responds to market changes. The company is introducing new features, such as podcasts, that allow it to further expand its offer and increase user engagement. Implementing agile practices allows you to quickly test new ideas and implement them on a large scale. In terms of sustainability, Spotify takes steps to minimize its environmental impact, such as investing in green energy and promoting green business practices. The company is also involved in social initiatives, supporting artists and music creators, which builds its positive reputation on the global market (Johnson, 2019).

Thanks to management agility, innovation and the ability to adapt to changing market conditions, Spotify has managed to build a lasting competitive advantage in the global streaming music market. The company is an example of how an agile management approach and focus on user needs can lead to success and stable development in a dynamically changing business environment.

12. Conclusions

To sum up, an agile organization is a fundamental model for how enterprises operate in a dynamically changing market environment. Flexibility, adaptability and the ability to quickly respond to changing conditions are key features that allow companies to compete effectively in the global market. The structure of an agile organization, based on decentralized management and flat hierarchy, favors the rapid flow of information and immediate decision-making. An organizational culture that promotes cooperation, trust and continuous improvement enables employees to actively participate in decision-making processes and introduce innovations.

Agile methodologies such as Scrum, Kanban and Lean support team effectiveness through regular reviews and retrospectives, which allows you to constantly assess progress and introduce necessary modifications. Information technologies play a key role in supporting organizational agility, enabling the rapid collection and processing of information, which supports making good decisions and optimizing processes. Organizational agility brings numerous benefits, including increased innovation, greater customer satisfaction, and higher operational efficiency, which allows companies to better seize opportunities and deal with threats more effectively. However, the introduction of agile practices may encounter resistance from employees accustomed to traditional working methods, which is why effective change

management through education, training and support in adapting to new ways of operating is crucial. Organizations that successfully adopt an agile approach must be prepared to continually adapt their strategies, processes and structure to effectively respond to dynamic changes in the market environment. The conclusions of the analysis indicate that organizational agility is necessary to achieve lasting success and sustainable development in the current highly competitive business environment.

Companies wishing to increase their competitiveness in the global market are recommended to implement the principles of an agile organization. A key step is to transform the organizational structure in a way that enables faster information flow and decentralization of decision-making processes, which will allow for immediate response to changing market conditions. It is worth focusing on building an organizational culture based on cooperation, trust and continuous improvement, where employees are encouraged to take initiative and actively participate in decision-making processes. Implementing agile methodologies such as Scrum, Kanban or Lean can significantly improve the effectiveness of teams through regular reviews and retrospectives, enabling ongoing assessment of progress and making necessary modifications. It is also crucial to effectively use information technologies that support the rapid collection and processing of information, which translates into making informed and accurate decisions and optimizing processes.

Organizations should also focus on change management, providing employees with appropriate education, training and support in the process of adapting to new working methods. Organizational agility brings numerous benefits, including increased innovation, greater customer satisfaction and higher operational efficiency, which is why it is necessary to constantly improve strategy, processes and structure in response to the dynamically changing market environment. Adopting agile practices requires a willingness to constantly adapt and innovate to effectively seize opportunities and better cope with threats. In the context of global competition, organizational agility is becoming a key success factor, enabling companies to achieve sustainable development and a stable market position .

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