Barış KARAPELİT

21707346

**How to Use Organizational Structure and Culture to Compete in Business?**

There is no single way to compete efficiently with our competitors. There’re options for different sizes and types of companies.

If we are a company that operates in one specific location or provides only one product or service, we’d better adopt the functional structure. The functional structure increases our operational speed and clarity. Because we have employees that are specialized for one job. Everyone’s job is clearly defined.

If we provide different products and services or are a multinational company we need to adopt a divisional structure. Different divisions can focus on their local market, target customer group or production of their product. It is hard to control these divisions from one center.

A company:

1. Can prefer the product structure if it provides different products to the market. So it’ll have different divisions for different products. Every division manager is responsible for his/her product line and has the authority for decision-making. He/she can be held accountable for his/her sales, profits and so on. It’s a more flexible structure and employees can share their ideas with their managers easily and this will increase their dedication and motivation.
2. Can prefer geographical structure if it sells products and services to different regional markets. In this structure, every manager is responsible for his/her region. He/she can be held accountable for sales, human resources, profitability, customer satisfaction of his/her target region. This will be an efficient and competitive way for a multinational company.
3. Can prefer customer structure if it has segmented customers. It will increase customer satisfaction.
4. Can motivate our employees by involving them in the decision-making process, so they’ll be more dedicated and work more efficiently. This is more helpful if we are adhocracy and clan oriented and are seeking for new ideas.
5. Can also prefer to keep our employees out of the decision-making process and let experts take the decisions. So our decisions will be usual and less risky. We can prefer that if we are hierarchy and market-oriented.

To sum up, there is no one size fits for all solution to compete efficiently. It depends on the company’s needs, operations, products and services and depends on if it is a multinational company or not.

If the company:

1. Suffers from a lack of motivation, then it needs to shift its orientation to adhocracy and clan culture, listen to its employees' ideas. If the company suffers from the low specialized labor then it needs to shift its orientation to hierarchy and market culture, let the experts make decisions.
2. Has problems with customer satisfaction then it has to build a customer structure so it can make customer segmentation and offer different deals for different segments.
3. Has different production lines and can’t control all of them from one center, it needs to create different divisions for each production line. So it can increase its production efficiency.
4. Has operations in different regions that have different cultures and societies, then it needs to create divisions for each region and let these divisions to have localization strategies.