

**ECONOMIC DYNAMICS AND ABILITY
OF THE ENTERPRISE TO ADAPTION**

Actuality of the article is determined by the significant changes occurring in domestic practice of industrial enterprises managing. Under the conditions of the market economy such peculiarities of the market have appeared as frequency and unpredictability of demand changes, arising of new needs and kinds of products which reduce the length of commodity life-cycles and response to changes in the market environment causing a high risk to prevent goods selling, as a result, unjustified stock building and costs increasing. Due to this fact requirements for building of adaptive business planning system grow.

Key words: *adaptation, the enterprise, market approach, resources approach, classification.*

Introduction. The dynamism of the external environment leads to merger of two current economic forces which actively makes modern enterprises change.

The first force is the rapid development of computer networks and autonomous software. Today changes have become both constant and unpredictable. As a result, managers must give up the tendency to forecast and control (checking realization of their decisions) changes. Instead, they should try to create enterprises receptive to changes which could appropriately respond to them, founding the background for the development of the enterprise adaptive management.

The second determining economic force arises in the sphere of innovative manufacturing technologies which include biotechnology, nanotechnology and materials science. These technologies generate a new wave of innovation and they will soon launch another round of economic growth according to the scale it can be compared with the spread of information technology. The current economic instability has made the capability to adaptation the necessary one.

A variety of internal reactions at the enterprise must correspond to a variety of the environment influences on it, and taking into account dynamics in the interaction process of the environment and the enterprise, we should ask, "how does the enterprise respond to barrage of events connected with external action?" It is obvious that dynamic capabilities of the enterprise under modern conditions start playing a key role in their household and economic life. The objective prerequisite of importance and necessity for such abilities creating at enterprises is the fact that many scientists are increasingly criticizing static strategic concepts because of their low levels of life use in the external environment, which is characterized by dynamic hyper competition [2, c. 108].

Dynamic capabilities of the enterprise are frequently considered as the main competition advantages. David J. Teece, Gary Pisano; Amy Shuen define dynamic capabilities as abilities to create and rebuild internal and external competences in response to the external environment changes [3, 5]. K. M. Eisenhardt and J. A. Martin consider dynamic capabilities as organizational and strategic factors with the help of which enterprises try to get new combination of resources when

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markets start up, facing each other, split, evolve or cease their existing [4]. W. Burr believes that dynamic capabilities of the enterprise find their reflection in flexibility in the process of the current resource potential adaptation to new problems and external situations, and innovative possibilities creating absolutely new resources potentials and producing innovative products and services as well [2].

As a conclusion the necessity in adaptation is becoming inevitable for enterprises operating under circumstances of turbulent dynamics of the environment. So the **purpose** of the article is to summarize the nature and mechanism of the enterprise adaptation.

Results. The notion "adaptation" is not unique. In the economic life of the enterprise the term "adaptation" can have three semantic meanings. In the first case, adaptation exists as a process with the help of which the enterprise changes and adapts to conditions of the environment. The second meaning touches current relationships between the enterprise and the environment. In the third meaning adaptation means the degree of correspondence (adequacy) between the enterprise and the environment. It is obvious that adaptation is achieved by changing a number of characteristics: factors, functions, and so on.

It should be noted that the adaptation should be spoken about only after the occurrence of specific competencies in individuals who take the decisions, whether executives or managers.

These competences are key ones and characterize the person's abilities to solve problems arising before him or tasks working out with maximum effectiveness basing on experience, abilities to training and creativeness. Just these competences will become the engine for reframing and changes and they will correspondingly generate stable dynamic capabilities.

Adaptation can be classified according to the following categories:

a) the origin:

- preadaptive adaptation. In the case of preadaptation creation potential adaptive phenomena occur being in advance of current conditions. This is connected primarily with the accompanying process of permanent personnel training which leads to hidden reserves of variable volatility accommodation in adaptive reactions on external and internal indignation;

While preadaptive way of adaptation arises they successfully use the experience available in the corporate memory and arisen in other conditions, but which is actualized at this moment. However, some complex techniques (mechanisms, procedures, methodologies, and so on) of adaptation can occur, "advancing" conditions under which they can be considered as adaptations. As a result, preadaptive adaptations occur on the base of the integrated corporate thesaurus by reserving reactions and warnings and they correspond to the expression «Wise men learn by other men's mistakes...»;

- combinatorial adaptation. The emergence of adaptations by combinatorial way takes place on the base of intensive interaction and communication among the structure of the enterprise and the environment. This creates a real opportunity for rapid changes of certain adaptations with other ones, more actual or complex. Combinatorial way of adaptation forming is the most common in the current economic reality, it corresponds to the expression «Wise men learn by other men's mistakes...»;

3) postadaptive adaptation. Postadaptive way of adaptations appearing is associated with reducing of previous experience and its structure; it leads to the necessity to reform the structure of the enterprise managing. It can be connected

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with both an addition of an extra department with its supplementary function to the structure managing, and allocation of a new department from the existing department;

б) according to the scale adaptations can be:

- specialized adaptations, occurring in a particular functional area of the enterprise in a narrow range of environmental conditions ;

- common adaptations, that represent key competencies and are used in a wide range of environmental conditions. These common adaptations affect not one but several functions of the enterprise, making a significant impact on the whole system;

в) according to the form of demonstration:

- active adaptations, directed on forming of future with the help of the enterprise's active impact on environmental factors, to create the necessary conditions of the local economy development;

- reactive adaptations are adaptations, arising as a response to an external force, they always follow after the external action as a reaction;

- warning adaptation are adaptations, arising basing on forecasted reactions of the enterprise on the external action .

г) according to the subjects of interaction adaptations are divided into:

- adaptation from another to another: it's a reaction or response of the system to external changes by modifying the environment;

- selfadaptation to others: it's a reaction or response of the system to the external change by selfmodifying;

- adaptation of others to himself (herself), it's a reaction or response of the system to external changes by modifying the external environment;

- selfadaptation to selfadaptation, it's a reaction or response of the system to the internal change by selfmodifying.

These multiple classifications of adaptation reveal the variety of possible actions of the company in the economic area, which gives the enterprise the ability for sustainable development.

Thus, based on the forms of adaptations, the enterprise has three strategic settings: active adaptation (to form the market, to create future), reactive adaptation (adapting to changes), and proactive adaptation (reserve the right of move).

With the active adaptation enterprises tend to form their branches taking into account their own understanding. They create new market opportunities or "flick" relatively stable industries, or try to play the key role on new markets by setting their more progressive standards, or to form the demand.

In the conditions of the reactive adaptation enterprises adopt the existing structure of the industry and the direction of its development as the given one and react on possibilities offered by the market. In an environment with a low degree of uncertainty they choose strategic positioning, in other words, where and how to compete in the existing branch. In the conditions of higher degree of uncertainty data of the enterprise are based on the ability to recognize the market trends and quickly respond to them.

Proactive form of adaptation is a special form; it provides a gradual increase of investments, which provide it, the access to valuable information, the optimal structure of costs, or the connection with clients and suppliers. It allows the

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company to reserve the right of a future important move to wait the moment when the environment becomes more defined.

These strategic intentions contribute to defining the forms of the enterprise adaptation and their further development of strategies for specific goals and objectives.

Relatively to the systematic approach of the concept adaptation can be defined as follows: the system is adaptive, if a change of the environment and/or the internal state, when its effectiveness in achieving one goal or more determining its function decreases, it responds or gives feedback, changing its own condition and/or conditions of the environment so as to increase its efficiency with regard to its objective. Thus, the adaptability of the system representation is the system's ability to modify itself or the environment in cases when changes negatively affect the system, to recover at least a part of the lost efficiency [1, c. 79-80].

Adaptation demonstration in the economic life of the enterprise is provided by the action of replicate adaptation mechanism foundations of which were based in the framework of an evolutionary approach. A matrix principle of inanimate nature was once found in the geological sciences. From here, the idea migrated into biology which linked the matrix principle of heredity with the theory of evolution. The theory of adaptation basing on replicate mechanism says that adaptation is a mean of negative factors identification and changes which represent "narrow places" (reactionary form of adaptation). It is always accompanied by a certain time lag (the period of decisions taking according to the correspondent reaction). In contrast of the form of adaptation, adaptation which is based on interactive planning (active, outstripped form forms) minimizes lag, or excludes it with the help of the positive feedback, when there is a combination of direct and inverse processes of planning with an immediate formation of an actions' program according to the amount and quality of the resource component.

Relatively to the Economics of Enterprise the organizational structure of the company and its functional relationships between departments act as a matrix creating a unique economic image of the enterprise. This adaptation takes the form of an intangible asset, competence or ability to correct conceptual solutions.

There are two emphases and approaches to adaptive management: market approach, focused on the external environment of enterprise; customer satisfaction and resource approach, which focused on the domestic environment and the effective use of its own resources. These approaches are polar and, therefore suitable in certain mutually exclusive conditions. The authors propose to identify and formalize dialectically coherent categories "introversion of the enterprise" and "extraversion of the enterprise", which correspond to the object of adaptation. The important point here is that the coordinate system for analyzing and identifying the goal is shifted from the company (resource approach) and from the external environment (market approach) to the subject of management. At the same time, dynamics of descriptors is becoming more objective, because it represents as a correlated comparison of changes in the external and internal environments, rather than relative one, as in the case of the coordinate system diagnostics fixing on the system of the enterprise or above-system (external environment).

Determination of these categories can be defined as [1, c. 238]:

under the introversion of enterprises we should understand the integral analytical dynamic image of the enterprise, focused on the internal social, economic, technical and production aspects, which orients the company on its own resources;

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extraversion of the enterprise is an integral analytical dynamic image of the enterprise as an open system, focusing on market conditions and demand, external potential, as a factor of growth and development while the production program creating.

Conclusions: Thus, we can conclude, that the process of adaptation is the company's ability to respond to changes in the external environment interactively by exposure to its elements or due to the restructuring of its own organizational and functional structure, which should contribute to the effectiveness developing.

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