

## WEEK 4

### ORGANIZATIONAL COHERENCE THROUGH STRUCTURE & KNOWLEDGE

- Design & Structure
- Knowledge & Learning

## *Design & Structure*

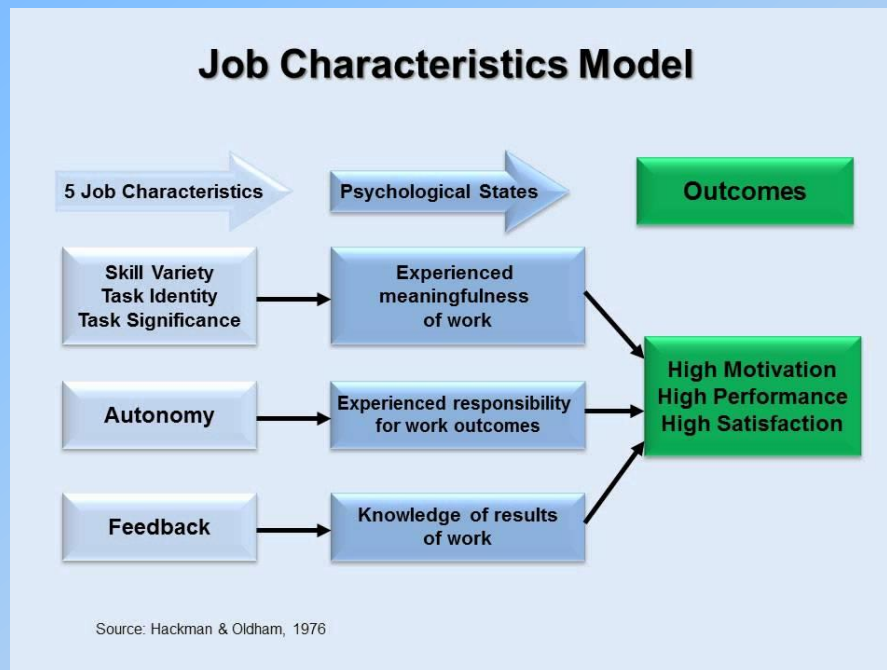
### a/Design

Developing an organizational structure is referred to as organizational design and in line with the job characteristics model it involves the following features:

- Job identity: defining jobs with precise and narrow activities to perform
- Job variety: defining jobs that allow the cross training of workers.

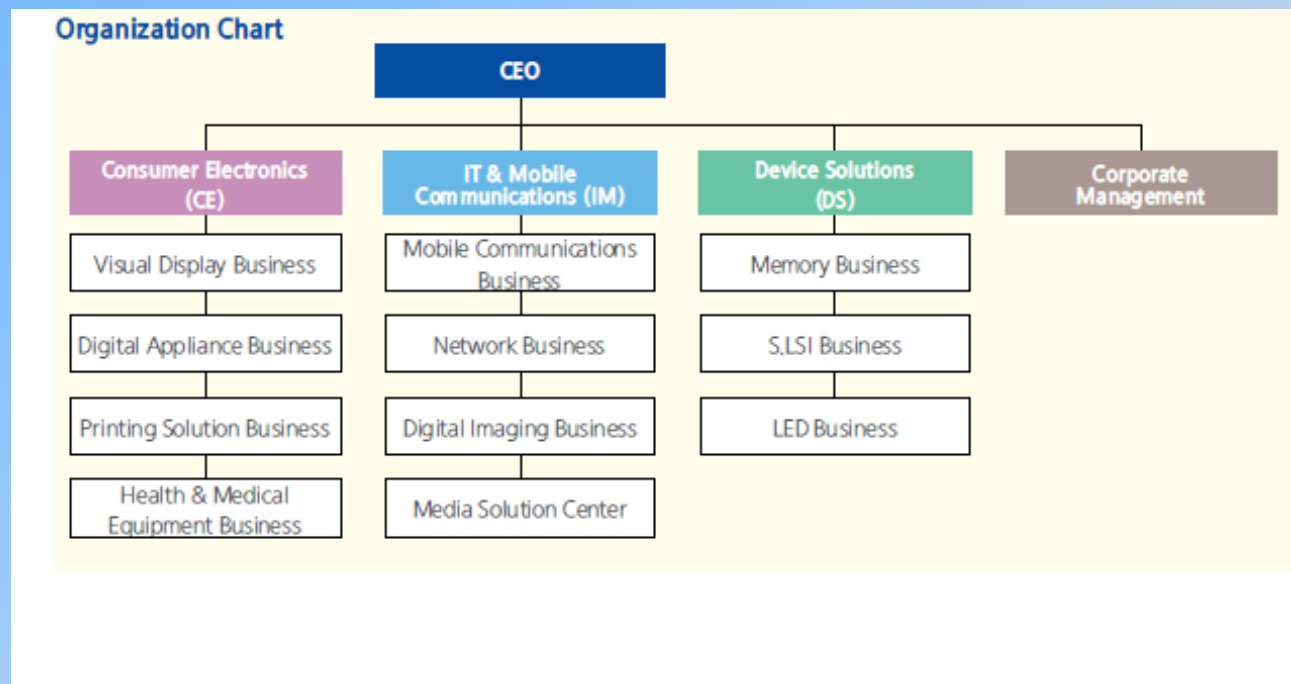
## Design & Structure

- Job significance: defining jobs to be more challenging.
- Job autonomy: defining jobs in a way that are controlled by those performing them



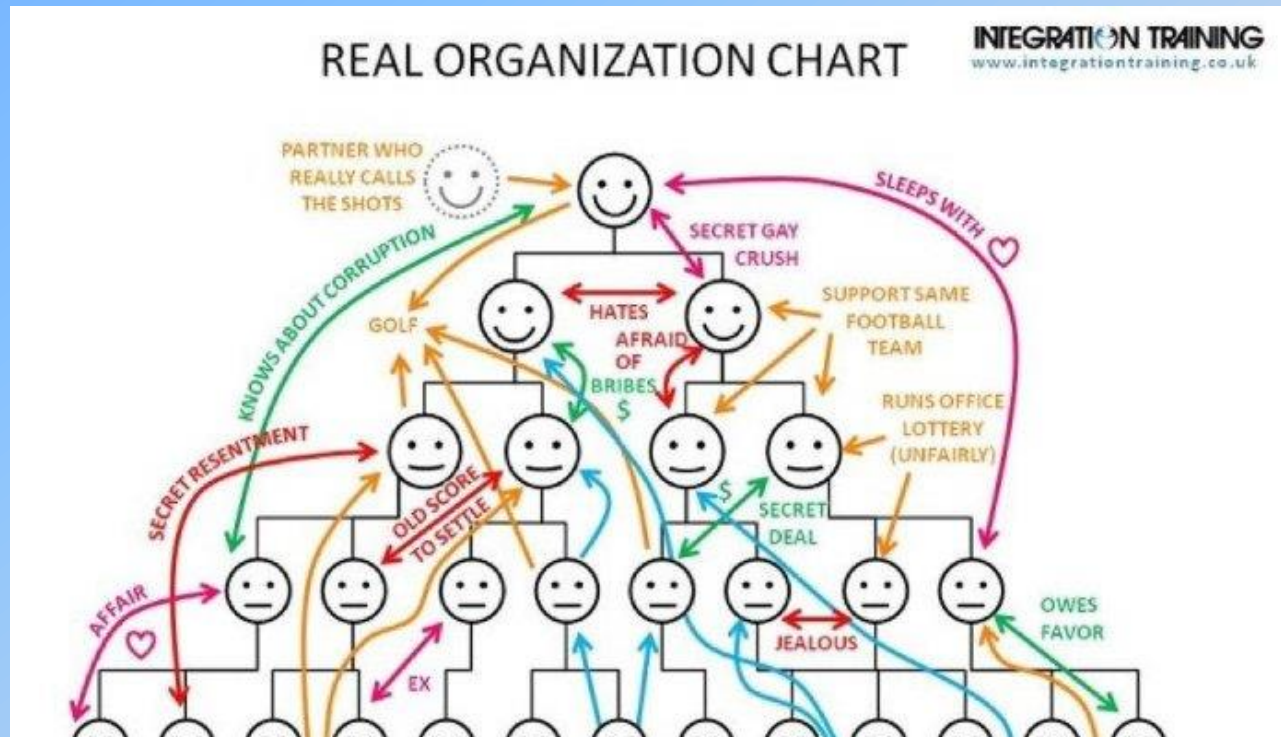
## Design & Structure

The typical way to depict the end-result of organizational design is the organizational chart



## Design & Structure

Organizational charts tend to be rigid: fail to capture micro-changes let alone the complexity of organizational relationships.



# Design & Structure

## b/Structure

Types include

- Legal as per the requirements of legal forms

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**Overview of the most important legal business forms in Switzerland**

	Sole proprietor	General partnership	Public Limited Company (PLC) (AG)	Limited Liability Company (LLC) (GmbH)
Legal regulation	No legal regulation	Art. 552 - 593 OR.	Art. 620 - 763 OR.	Art. 772 - 827 OR.
Suitability	Suitable for individual persons running a business  Without form: Through the commencement of business activity; mandatory registration with the SVA (social insurance of the canton).	Suitable for multiple partners who want to run a business together and want flexible regulation of their requirements (in their articles of association).  Signing of a formless contract by the partners. If the general partnership follows a trade, it has to be entered into the commercial register. Registration with the SVA is mandatory.	Suitable for profit oriented companies (individual person, multiple partners, many partners).  Foundation meeting of the shareholders in the presence of a notary; Registration of the foundation with the trade register at the domicile of the company.	Suitable for profit oriented companies (individual person, multiple partners, many partners).  Foundation meeting of the shareholders in the presence of a notary; Registration of the foundation with the trade register at the domicile of the company.
Legal status / Liability of the company owners	Sole ownership by the firm owner. The firm owner becomes the contracting party. He is unlimited liable for any debts. Claims get collected from the business owner.	Partnership. Only the general partnership is prosecuted for debts. The partners are personally liable for the debts of the general partnership.	Legal Person. Only the PLC is prosecuted for debts. Shareholders have no liability for the debts of the PLC (as long as the shares are fully paid up).	Legal Person. Only the LLC is prosecuted for debts. Shareholders have no liability for the debts of the LLC.
Minimum number of owners	One person	Two or more persons are partners	One shareholder	One associate

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## *Design & Structure*

### Formal as per

- Job designs and therefore ensuing structure
- Degree and means of coordination in the structure
- Degree of self-coordination available to staff i.e. rational/non-rational management style



## Knowledge & Learning

### a/Summative view

Knowledge is typically seen as a collection of skills and information

Thus of organizational knowledge, or organizational know-how





## *Knowledge & Learning*

Such know-how is generated via a combination of the following (Russell):

- acquaintance, in that one is directly aware of a thing as it is (e.g. experiencing organizational life)
- description, whereby a thing is given by means of a description independently the presence of the thing (e.g. marketing reports)

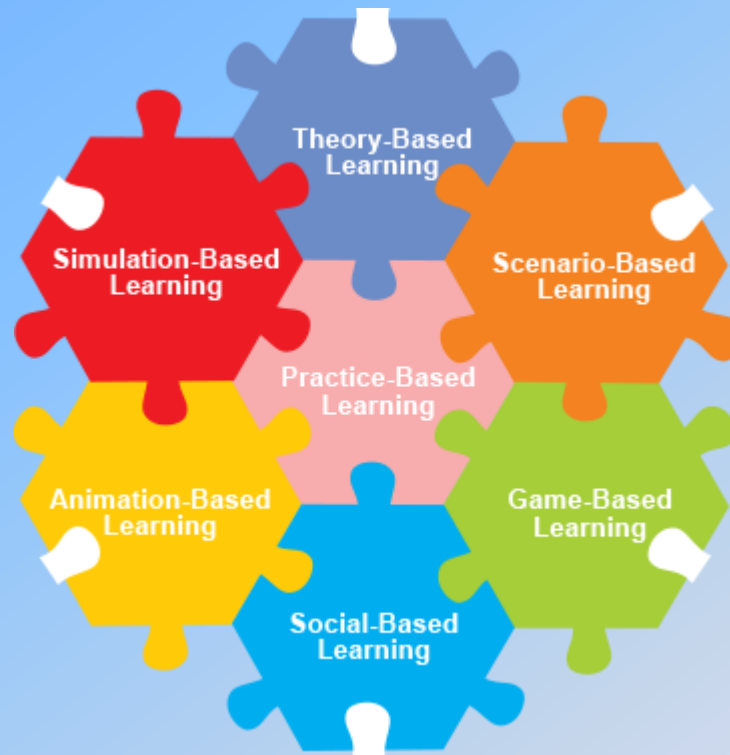
## *Knowledge & Learning*

The construction of organizational know how implies organizational learning.

An organization is therefore thought of as a learning community which has a strong culture of collaboration with an a acknowledged common direction premised on core values.

## Knowledge & Learning

Learning implies method:



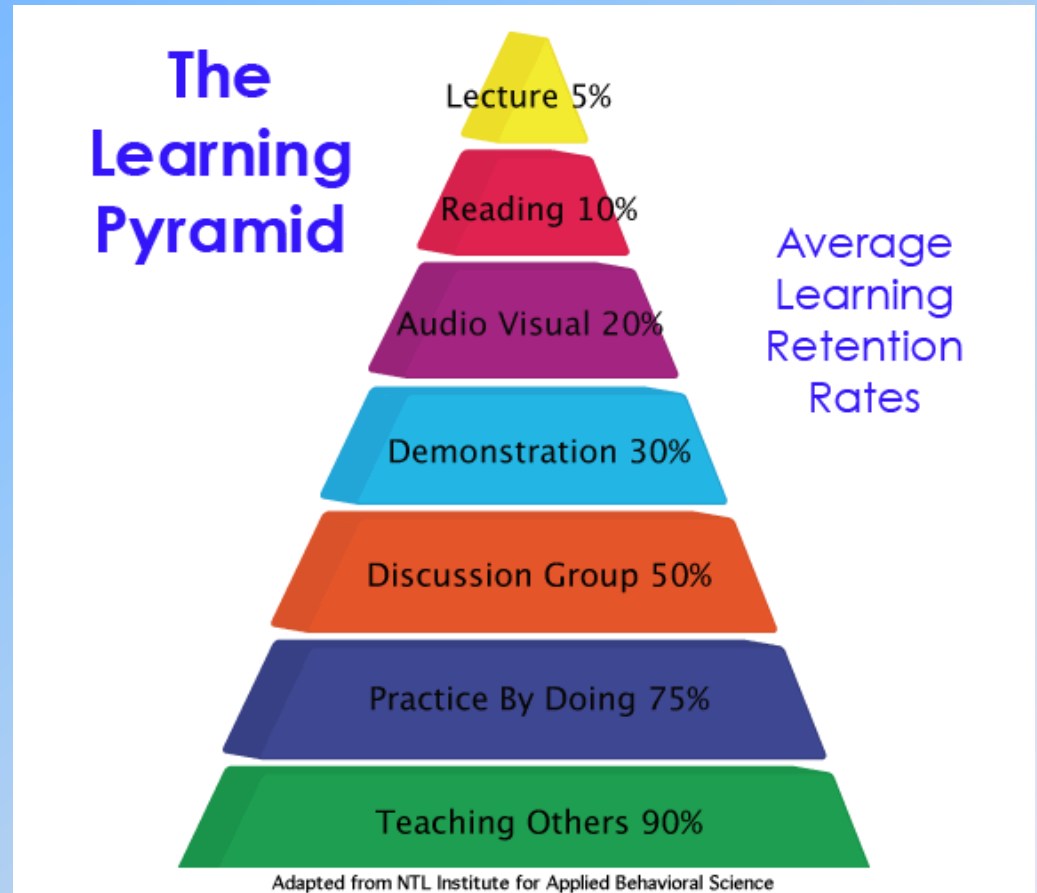
## Knowledge & Learning

And in some cases this learning is systematic so as to generate valid knowledge:



## Knowledge & Learning

Thus in a learning community a strong emphasis is placed on transferring (teaching) valid organizational knowledge with methods that have the highest retention rate:



## *Knowledge & Learning*

### b/Dynamic view

Knowledge has to be understood as action, as a process; it is never an end result, as act, thus cannot be finite.

The very fact of forgetting attests to the non-complete nature of knowledge. It is thus more appropriately viewed as action that is in the process of completion but never complete.

## *Knowledge & Learning*

Thus, if knowledge is action, it requires understanding “the process of coming to know” (Piaget).

This is not about identifying the steps for knowledge construction; rather is about becoming aware of such construction and how it takes shape.