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INDIVIDUAL ASSIGNMENT

COVER PAGE

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Contents

Question 1

1.1 Introduction

Organisational design also known as Organisational architecture Veldsman, (2015: p513) is a process driven by organizational strategy at a very high level and from the organizational design key processes are mapped out. (Page, 2006: p56)

This section below describes and explains various approaches to the design of an organisational structure, the various organizational styles to choose from when designing or starting up a new business. These are formal frameworks in which tasks, functions, jobs and relationships among people and departments are organised. According to (Werner, 2016, p9) the structure will influence decision making, distribution of power, and information flow within the organisation and (Mansfield, 1980: p6) suggests that it is important to structure the organisation in a way that is most appropriate based on its size, the employed technology and the industry in operates in.

The different approaches to Organisational design include Mechanistic organisation, Organic organisation, Matrix organisation, Virtual organisation, Network organisation, and Boundaryless organisation and Shamrock organisation. (Werner, 2016, p9-17)

1.2 Approaches to Organisational design and structure

1.2.1 Mechanistic Organisations

The Mechanistic organization is a more bureaucratic organization approach to organizational design which is mainly used in traditional organisations with centralized authority and a formal top-down structure with rigid rules. (Werner, 2016, p10-11)

It allows for a high degrees of specialization, enforces many rules, narrowly defines tasks, routine work and follows a top down reporting structure. (Werner, 2016, p11)

1.2.2 Organic organisations

According to (Werner, 2016, p11) organic structure is the opposite of the Mechanistic organization, it is more flexible and made up of networks of multi-talented individuals having a variety of tasks and responsibilities.

(Werner, 2016, p11) continues to say the organic structure is more change oriented and promotes creativity. It's more general, flexible and offers varying responsibilities to its employees who are more of generalists than specialists. Its authority structure is not structured and decision making as democratic where all employees have a say in decision making.

1.2.3   Matrix organisations

The Matrix organisation is a structure that promotes a receptive culture to customer requirements and organisational improvement goals.

(Werner, 2016, p11) says that matrix structure addresses the limitations of the Mechanistic and Organic structures. This structure groups employees in 2 ways at the same time, it groups employees by team functions and by projects/product. Functional alignment is included as part of the organisational design (Page, 2006: 56). Team members in projects/product are generally very skilled and qualified. They self-supervised and take responsibility for their own work and tasks. The good thing about matrix structure is that it promotes quality and innovation in the work employees produce however the matrix structure has a few problematic areas as described by (Cacowski, 2000: p44-p54).

The problematic areas include inter-departmental lines of authority and not well-defined. Management relies on the implementation of work processes where programme managers utilise functional employees which can cause conflict among superiors.

Service delivery relies completely on information technology.

1.2.4   Virtual organisations

The virtual organisation concept can be defined in two ways and that's according to (Werner, 2016, p13) as cited from (Kasper-Fuehrer & Ashkanasy, 2004: p36). The two ways used to define virtual organisation are intraorganisational/Corporative or Institutional and organizational/functional form. Intra-organisational network is a temporary corporation or collaborative work of independent customers, competitors or suppliers linked through information technology. Organizational or functional form on the other hand is described as a collaboration of different divisions within an organisation having the same goal to complete a common task and therefore together form a team or one profit center.

In this organisations the teams involved brings only its core competencies and specialties and thus produce a lot of strength that any single company would never be able to produce.

People in such an organization are often placed in remote locations and this makes the method rely heavily on electronic communication and techniques such as cloud computing (BOUNFOUR, FERNANDEZ, & WALLER, 2015: p7).

A Virtual Organisation can be seen and operates almost as an ordinary organization but can never be seen as an institution.

(Khan & Azmi, 2005:42) says that virtual teams or a virtual office is any organization that operates from anywhere other than the physical workplace where official work is done.

1.2.5   Network organisations

(Werner, 2016, p14) cited from (Thorelli, 1986: 37-51) defines network organisation as any lasting relationship between multiple organisations.

(Werner, 2016, p13) indicates that network organisation can be effective in creating lasting and flexible alliances between multiple parties which can come in a form of customers, suppliers and competitors.

Network organisations may be influenced by the competition in the market, realizing that the current traditional organisational design needs to be supplemented in order to stay relevant in the market (Kasper-Fuehrer & Ashkanasy, 2004: p43) as cited in (Werner, 2016, p15).

(Kasper-Fuehrer & Ashkanasy, 2004: p43) as cited in (Werner, 2016, p15) says that network organisations can come in three types/forms which is the internal network, stable network and dynamic network.

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(Werner, 2016, p14) concludes network organisation by saying it takes advantage of technology that enables for low cost network technologies to support changing goals and needs of the organisation, (Page, 2006: 56) also says information technology is an enabler and reduces administrative and transactional roles cutting down on labor costs. Network Organisation is more organic and has a flat and horizontal reporting structures and processes needed to manage common and sequential interdependencies between people, teams, departments and divisions.

1.2.6   Boundaryless organisation

Boundaryless organisations follows a more cross-hierarchical structured teams instead of the traditional horizontal and vertical organisational boundaries that command levels of authority and superiority. According to (Robbins & Judge, 2014:p267) as cited from (Werner, 2016, p15) says that in addition to internal structures boundaryless organisation brakes external boundaries as well between customers and suppliers.

Boundaryless organisation pays less attention to superiority and is acknowledged though low-status recognition and more democratic decision making where everyone is involved and has a say.

Even in boundaryless organiastions it is still important to have some people leading and some following and even in this organisations there will always be politics of poser and relationships.

1.2.7   Shamrock organisation

The Shamrock organisation follows the shamrock approach of three leaves where each represents the three different groups of employees who are managed, organised and remunerated differently and who have different expectations.

The three groups of employees include the flexible labour force, the contractual fringe and lastly the professional core.

The professional core - refers to the essential qualified professionals, technicians and managers within the organization. These are the core employees of the organization necessary for the survival of the organization.

The contractual fringe- is outside employees who undertake the boring non-essential work that can be done by anyone else. They are paid in fees and not wages based on results and not time

The flexible labour force- is those employees whose work depend on a project rather than the organization like consultants, part-time or temporary workers.

(Werner, 2016, p16-17)

According to Veldsman, (2015) there are mainly two types of Organisations Traditional and Emerging Organisation. Most of (Werner, 2016)'s structures discussed above have characteristics for emerging Organisations except for the Mechanistic/ bureaucratic organization. The traditional organisation represents the command and control organisational structures whereas the emerging organisation represents structures that promote high flexibility and involvement like network organisation.

Based on the changing and emerging world Veldsman, (2015: p516-p520) discusses seven possible design architectures for and future-fit organisational. The Veldsman organisations will be compared and see how can they be associated to the (Werner, 2016) organisations.

1.2.8 Design Criterion 1: Organisational coherence and synergy

This organisational design views the organisation as "contextual embedded, dynamic and interconnected and systematic arrangement" and everything hangs, relies and forms part of everything else which leads to a principle of coherence and synergy. Veldsman, (2015: p516)

The organisation cannot be seen as a machine made up of separate components interacting linearly, and running independently where the aim is to recognise the functioning of each component independently. Veldsman, (2015: p516)

This organisation can be compared to the more traditional (Werner, 2016)'s Mechanistic organization, and it has also become inappropriate to the newly emerging world. It can also be compared to the Matrix organisations (Werner, 2016) with the inter-connectivity of components.

1.2.9 Design criterion 2: Multiple purposes

Veldsman, (2015:p516) says multiple purposes organisation follows an Outside-in approach which is driven by the needs of stakeholders, its main purpose is to decide how is the organisation going to meet the requirements of the stakeholders.

The organisation sees itself as a servant meant to provide and take care the assets of the stakeholders, and see it self as part of the DNA in the community where it operates.

Companies following the multiple purpose organisation strives to create an abundant fortune through the wealth generated by the products/services they offer and share it fairly among all people who contributed in creating the wealth.

1.2.10 The design criterion 3: Partnering

Organisations wishing to remain relevant and become future fit need to reinvent themselves so that they can be able to do new things often in new places with new parties and do things better and smarter. Partnering enables new competencies, capabilities and continuously develop and source the know-how and expertise to continue functioning in the changing world. Veldsman, (2015: p516-p517)

In this organisation two strategies are in place, reinventing value generation based on strategic partnerships and becoming an innovative and continuously learning organisation driven by ongoing disruptive innovation. Veldsman, (2015: p516-p517)

The design criterion 3: Partnering structure is similar to Organic structure (Werner, 2016, p11) due to its change oriented and creative structure and also similar to Network organisations (Werner, 2016, p13) through supporting partnerships to supplement the organisation's capabilities.

1.2.11 Design criterion 4: Innovativeness

According to Veldsman (2015: p517-p518) relentless innovation requires the organisation to continue learning as an essential part of the organisation's delivery logic. If the organisation doesn't learn fast enough it will not be able to survive in the future.

1.2.12 The design criterion 5: 'And' designs

Veldsman (2015: p517-p518) says that the And-design offers a structure made up of axes of which the delivery logic of the organisation can be based. The structure can serve as a guiding compass to shape of the organisation. The compass includes function, product/service, localised delivery, outsourcing, process, market/customer, centralised delivery and self-sufficient.

The changing world demands that companies needs to change from being stable, orderly, simple, localised and predictable to being boudariless and seamlessly widening and consider the And delivery choices in architecting a fit-for- purpose organisational shape (Galbraith, 2014).

This structure can be associated with (Werner, 2016)'s boundaryless organisation as it also based on boudarilessness.

1.2.13 The design criterion 6: Global/local integration and responsiveness

The world has become increasingly interconnected and one global village Veldsman (2015: p519) as cited from (Birkin, 2000; Galbraith, 2000; 2014; Visser, 2011). The organisation's evolution in the global space is made up of four phases which includes:

- Stage 1: International export business: Overseas agents of products/services trade arrangements.
- Stage 2: Multi Geographical country based organisation, by companies in other Countries
- Stage 3: Front/Back, multinational Global Control over certain core work processes from corporate centre
- Stage 4: Full Integration globally of work processes with local responsiveness

Veldsman (2015: p519): The typical evolution path of globalising organisations

1.2.14 Design criterion 7: Virtuality

Virtual organisations are there to fill the need to deliver service on an ongoing basis, anywhere, anytime for anyone and this can be achieved through a virtually connected organisation. A virtual organisation can be described as an organisation in which half of its employees work more than 75% of the time from different geographic locations, dispersed physical locations while shifting boundaries based on job functions, job levels, location, cultures and countries.

1.3 Conclusion

Traditional organisations following a Mechanistic approach are now under pressure to review their organizational models in order to maintain their competitive edge and challenges of the future, especially facing global competition and stretch growth targets. (Page, 2006: 56)

There is many challenges that modern companies face, they need to be able to compete globally with the development and growth in the internet and e-commerce. They are under pressure to compete internationally and need to be able to adapt in the changing world.

They need to choose the best organisational structure and design to be able to continue learning in order to adopt and remain creative enough to compete in the changing world but fortunately there is technology to support such structures. There are now reasonable telecommunication platforms to coordinate virtual offices and partnerships which includes for example video conferencing and cloud computing.

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Question 2

2.1 Introduction

(Werner, 2016, p5) describes Organisational behaviour as follows:

"A scientific field of study dedicated to understanding, explaining and appreciating the many forces that affect behaviour in organisations and to making correct decisions about how to motivate and coordinate people and other resources to achieve organisational goals"

2.2 Discussion on the study of organisational behavior when it is compared to the practice of human resource management

Chan & Scott-Ladd, (2004: p339) says that HR has the responsibility for the implementation of oganisational learning which as the potential to improve the competitiveness of the organisation.

Implementing organisational learning affects organisational behaviour as learned and well trained employees are generally more competitive and creative.

The goal of organisational learning is for the business to view organisational learning as strategy for improving the organisation's competitive advantage.

Organisational behaviour can adopt a culture of learning where individuals are continually encouraged to expand their knowledge to create better results they desire, where new abilities and expansive thinking is developed and people are continually learning as teams. Such culture can only be developed through human resources management which manages employee training and development. (ERASMUS, 2010: p20)

"Marquardt suggests that "a learning organisation, systematically defined, is an organisation which learns powerfully and collectively and is continually transforming itself to better collect, manage and use knowledge for corporate success." (ERASMUS, 2010: p20)

There is relationship between Human Resources Management and the organisation's ability to generate new innovative ideas but though organisational behavior (Beugelsdijk, 2008: p821) and human resources management work together in so many ways the one is concerned mainly with the element of Human Resource management, which is very broad for wellness, training, recruitment, remuneration the other one is mainly concerned with the behavior of human. The psychology and sociology which can look at aspects such is do employees produce better results when working in groups or as individuals and why.
For a normal employees the two concepts are difficult to separate, this is bacause employees procedure their own general beliefs about how the organisation valuest their work and contribution towards their organisational goals, and the way they their well-being is being supported. (Alfes, Shantz, Truss, & Soane, 2013: p335)
(Biswas & Kailash, 2004: p34) as cited from (Arogyaswamy and Byles, 1987) says that Human Resources Mangers in current times are also customer oriented and nolonger just concerned with employees, they see employees as an internal customer and outsiders as external customers. This means that current Human Resources trends are inline with the definition of organisational culture where internal staff strives towards internal integration abd external adoption. This means that there is a very fine line between Human Resources Management and Human bevior. In the organisation I worl for Human Resources reports to organisational structure and many people cannot tell the difference, I would say they understand what Human Resources is all about but understanding is not very clear with regards to corporate structore wjich is more concerned with organisational behaviour and the organisational startegy.

2.3 Why is knowledge of organizational behavior important in the field of Human Resources

(Werner, 2016, p31) says that human resources has direct input in the success, excellence and quality of the services or products the organisation produces. Creativity and innovation are key components in maintaining a competitive edge and this are attributes that can be found in motivated employees.

(Werner, 2016, p8) continues to say organizational behavior affords organisations knowledge on how employees can be empowered and developed to become self-driven, creative and engaged.

As Organisational behaviour is described by (Werner, 2016, p5), it's about understanding the behaviour of employees, motivating and coordinating them in order to achieve organisational goals meaning understanding human behaviour in Human Resources is very important, because if you Human Resources in an organisation understand human behaviour it will be able to keep them happy and leading well motivated employees who can shift the positive attitude to creativity and thus lead to the organisation reaching its goals.

Knowledge of organizational behavior is important in the field of Human Resources because it is firstly concerned with the behavior of people, individual employees, groups and teams. Secondly is concerned with best management practices which is what my shape or break human behavior and productivity and lastly because it's concerned with issues of psychology, sociology and anthropology which affects human resources directly. (Werner, 2016, p5-p8)

It's important to describe and define individual employees as indicated above that they form part of organizational behavior studies. Individual employees make up human resources, the work force in the organization is the central figure of organisational behavior and any behavioral situation (Werner, 2016, p8).

Groups or teams also form part of organizational behavior studies, and they can be described as a trend used in organisations to group employees into teams in order to take advantage of collective efforts and behaviors that flow from human interaction. Groups can have a great influence in the performance and behavior of individual employees.

Any Organisational design needs good human resources for it to work, without good creative and innovative work force it can never produce the expected results. (Werner, 2016, p25)

For example Organizational design such as Organic is change oriented and requires creative (Werner, 2016, p11) employees for it to succeed.

(Werner, 2016, p24-26) says that organisations are faced with daily pressures to perform and yesterday's learning does not necessarily have the answers. Organisations need to find ways to be adaptive, innovative and creative and this can only be realised through people. This means that human resources/employees are the greatest asset to the organisation. To keep employees motivated they need to be given opportunities to share knowledge, they need to be given challenging work, technology, and development opportunities and must be allowed to share and disseminate their knowledge.

2.4 Conclusion

In conclusion organisational behaviour is developed through organisational learning which is a strategy that must be developed by Human Resources Management.

Organizational behavior is important in the field of Human Resources because its building blocks are individuals and groups/teams in an organization. It is concerned with the behavior of people which is directly linked to employee performance and productivity managed by the Human Resources in an organization. (Werner, 2016, p5-p8)

Human resources on the other hand, its main concern is on the effective management of employees in order to meet organizational goals and objectives (Edgar & Geare, 2005: p362), and in order to manage employees you need to understand their behavior so that it can be improved in order to enhance productivity which will help the organization reach its goals.

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