
| RESEARCH ARTICLE

A Discursive Review of Intellectual Capital versus Organizational Development and Organizational Design

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| ABSTRACT

This discursive review explores the relatedness between the concepts of intellectual capital versus organizational development and organizational design. This deliberated discourse examines these concepts within the organizational contexts of business performance and related processes aligned to cultural, structural, and strategic elements of institutional capabilities. The review is framed within discursive psychology that focuses on action orientation, situational reality, and constructive engagement by questioning whether these concepts are similar, different yet related, or perhaps in fact dissimilar. Therefore, by amplifying the discourse related to these organizational concepts, the rhetorical question remains as to the importance for achieving clarity when setting out within the business context, whether it be strategic, operational, or cultural.

| KEYWORDS

Intellectual Capital, Organizational Development, Organizational Design, Organizational Contexts, Business Performance, Discursive Psychology

| ARTICLE INFORMATION

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1. Introduction

Organizational success depends on a wide range of factors that determine the quality of goods and services and customer satisfaction. Some of the key elements encompass intellectual capital, organizational design, and organizational development. García-Merino et al. (2024) define intellectual capital as a combination of intangible resources in an organization, including employees' knowledge, their capacity to learn new skills and adapt to diverse situations, and relations with clients and suppliers. DeNisi et al. (2021) also define intellectual capital in a business as intangible knowledge that can be turned into value for organizations. Managing intellectual capital is essential for organizational growth due to its impact on the quality of goods and services that businesses offer. On the other hand, CIPD (2024) defines organizational development as a systematic approach to improving business performance. The process aligns with cultural, structural, and strategic elements in the continuously evolving business environment. Mishra (2023) also concurs that organizational development is a process of improving a firm's capability through the alignment of structure, strategy, people, management, incentives, and performance metrics. In contrast, DeNisi et al. (2021) describe organizational design as the core structure of a company, encompassing decision-making steps, reporting relationships, and resource allocation. Gomathy et al. (2023) also indicate that organizational design is a firm's structure that defines how power is distributed within a company, and how information flows between different divisions and individuals. Effective organizational design promotes stability while allowing efficiency across all business dimensions. From the viewpoint of the impact of intellectual capital, organizational development, and organizational design on business performance, these three concepts can be classified as similar and related.

2. Literature Review

2.1 The Link Between Intellectual Capital, Organizational Development, and Organizational Design

The analysis of the similarity between intellectual capital, organizational development, and organizational design is reviewed as theoretical concepts of discourse as in discursive psychology (Potter & Hepburn, 2005). The discursive approach emphasizes three elements of analytical review, namely (i) being action oriented, (ii) embracing a defined reality-based situation, and (iii) engaging in constructive of raising ideas, concepts, and/or contexts despite there being apparent discourse. In this discursive review, the action orientation discourse pertains to ideas on organizational activities, the situation concept defines actions and their effects, and the constructive idea illustrates content related to the concepts that show the connection between intellectual capital, organizational development, and organizational design.

2.1.1 Intellectual Capital and Organizational Development

The influence of intellectual capital on organizations is similar to the effect of organizational development. In the view of Natsir and Bangun (2021), intangible assets such as knowledge and skills are the main drivers of organizational development. Ali and Anwar (2021) also show that intellectual capital contributes significantly to growth in asset returns and equity returns, which are key concepts that illustrate organizational development. In the modern business environment, characterized by intense competition and globalization where customers can access goods and services across the world, intellectual capital has emerged as a key element for organizational growth. Dzhoiev and Gurieva (2019) show that firms operating in both developing and developed countries have to demonstrate adequate knowledge of consumer needs and expectations to sustain their performance. Market knowledge is a form of intellectual capital that allows organizations to develop goods and services that appeal to the target customers. By enhancing key performance indicators, intellectual capital is regarded as a major contributor to organizational development.

Intellectual capital is also instrumental in promoting innovation to sustain organizational development. Karchegani et al. (2013) note that innovation is recognized as an important driver for organizational development, and it depends on the level of intellectual capital within companies. Suhag et al. (2017) show that innovation entails improving the quality of original goods or modifying existing designs. Through innovation, firms develop better quality products and minimize operational costs to ensure affordability of their goods and services. The impact of innovation on product quality and price levels is essential in enhancing organizational development. Abdulaali (2018) illustrates that intellectual capital in companies can be accumulated through investment in training programs to strengthen staff members' skills and knowledge to boost their innovation and performance. The same idea is supported by Arulsamy et al. (2023) who show that training contributes to the growth of intellectual capital by providing staff members with targeted skills, competencies, and knowledge to improve their performance as well as productivity in their roles. Similarly, Jafar et al. (2021) illustrate that employee training improves financial performance in organizations by equipping personnel with the skills and competencies to perform their duties more efficiently and effectively. Innovation depends on intellectual capital because employees' knowledge and skills help them to design goods and services that result in organizational development.

Another concept that illustrates the similarity between intellectual capital and organizational development is financial growth. Acuña-Opazo and González (2021) indicate that financial performance is an important indicator of organizational development, which depends on the quality of intellectual capital. Petare et al. (2023) also show that financial innovation plays a significant role in shaping organizational development. The ever-evolving technological advancements have led to a wide range of innovative financial products and strategies in organizations, which also indicates growth in intellectual capital. In firms, intellectual capital determines the effectiveness of business plans developed to improve financial performance and subsequent organizational development.

2.1.2 Intellectual Capital and Organizational Design

Various aspects of organizational design correlate with intellectual capital. According to García-Merino et al. (2024), intellectual capital in firms exists in the form of structural, human, and relational capital. The different forms of intellectual capital develop from specific organizational designs. For instance, relational capital is a key component of intellectual capital that enables firms to sustain competitive advantages and performance. According to García-Merino et al. (2024), relational capital refers to the interactions between employees, managers, clients, suppliers, and partners, which results in lasting affiliations that increase business performance. Konyefa and Oyeinkorikiye (2020) also define relational capital as organizational value resulting from mutual relationships with core stakeholders such as customers. It is acquired through effective communication, which helps firms to build trust for improved performance. The structure of organizational design determines the level of relational capital. Halim (2023) states that intellectual capital in companies is not limited to knowledge within the organization, but also encompasses external partnerships that enhance the overall business performance. Through organizational design that fosters relational capital, customers and other stakeholders such as suppliers become key sources of knowledge for business development since their ideas

help to rejuvenate staff members' skills (García-Merino et al., 2024). Organizational design correlates with relational capital that improves employees' knowledge of market needs.

Organizational design also influences structural capital in companies. According to Al-Hawajreh (2013), structural capital represents codified institutional knowledge different from staff members' ideas. It accumulates through continuous data collection, analysis, organizing, and integration into business processes. Beltramino et al. (2020) also show that structural capital in firms comprises non-human assets such as organization charts, databases, and process manuals whose value to a business is higher than their material worth. Organizational design significantly determines the growth of structural capital since it influences the dissemination of business reports from one division to another within businesses. For instance, Teleli and Wanyoike (2024) illustrate that technological capability in organizations develops through structures that facilitate efficient dissemination of information at different levels. Therefore, organizational design contributes to the development of structural capital in firms.

Human capital is also another form of intellectual capital that thrives based on organizational design. Rahmikawati et al. (2022) show that human capital develops through programs that enhance employees' skills, abilities, and knowledge in sustainable and organized processes. Similarly, Arokiasamy et al. (2023) note that human capital is the most stable form of capital in organizations, and it is acquired through training and formal education. Different aspects of organizational design determine the growth of human capital. For instance, Assbeihat (2016) indicates that collaborative organizational design help employees to communicate progressively and adaptively to accomplish the set goals. The collaborative process contributes to human capital as workers share ideas that enhance their skills and competencies. Effective organizational design is linked with growth in human capital as it facilitates teamwork and collaboration in firms.

3. Conclusion

Organizational design, organizational development, and intellectual capital are key concepts that define business performance that can be reviewed from a discursive perspective as to their relationship in operationalization. The level of intellectual capital in organizations influences innovation, market growth, and financial performance, contributing to organizational development. The main elements of intellectual capital, including human, structural, and relational capital, also signify the set-up of organizational design. Therefore, the rhetorical question remains whether intellectual capital is in effect organizational design and organization development. To this conceptual inquiry of discourse, perhaps leaders could strive to create a suitable conceptual framework whereby the concepts of intellectual capital, organizational designs, and organizational development are synchronized in relatedness for clarity to support a body of emerging business knowledge for effective understanding of essential organizational dynamics.

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