CHAPTER - 1

CONCEPTUAL FRAMEWORK

1.1 INTRODUCTION:

The national and international economic environments are being flooded with unprecedented changes. The economic liberalisation policies and programs of each and every country, especially the developing ones, focus more on building a solid economic foundation for their nation. Towards this end, the countries join regional economic/trade blocks, review and radically change their approach to economic problems and resort to experiment with new practices. The European Economic Community (EEC), North Atlantic Free Trade Agreement (NAFTA), Association of South East Asia Nations (ASEAN) are some of the live offshoots of economic upheavals at the global level. As part of their exercise of effecting high socio-economic growth within, the nations allow foreign financial participation in economic and industrial development projects, access to state-of-the-art technology, increase techno-commercial and bilateral relationships with other countries all over the world, etc. In this endeavor, the countries world over have realised the need for effective national policies and programs for Education and Economic development.

Major changes in the socio-economic environment at the global and national levels push organisations and institutions towards building their knowledge base. If one looks at seriously some of the new characteristics of world economy such as free movement of capital, technology is no longer the preserve of a few organisations, unrestricted flow of information, globalisation that is creating one all important quality standard,

the increased service-orientation etc. one would appreciate the fact that knowledge becomes vital for organisations because;

- Continuous innovation is impossible without knowledge assets

- Nothing but knowledge can generate originality of service

- Only knowledge enables customer needs to be anticipated

- It needs knowledge to leverage all organisational capabilities

Knowledge is the only core competence for coping with change

1.2 THE CONCEPTUAL FRAMEWORK OF THE STUDY:

The conceptual framework of the study is explained in the following sequence:

(i) The concept of Development of organisation in this study and Importance of Communication and Decision-making.

(ii) The concept of Communication

(iii) The concept of Decision-making

1.2.1 The concept of Development of organisation

In the behavioral science, "Organisation Development" is a top management supported, long range effort to improve an organisation's problem-solving and renewal processes, particularly through a more effective and collaborative diagnosis and management of organisation culture with special emphasis on formal work team, temporary work team, and intergroup culture-with the assistance of a consultant-facilitator and the use of the theory and technology of applied behavioral science, including action research."

Top management-supported means general direction and support from the power structure of the organisation. Problem-solving processes means the way in which an organisation goes about diagnosing and making decisions about the opportunities and challenges of its environment. Organisation renewal means the process of initiating, creating, and confronting needed changes so as to make it possible for organisations to become or to remain viable, to adapt to new conditions, to solve problems to learn from experience. The term 'culture' in the behavioral science explanation of "organisation development" means prevailing patterns of values, attitudes, beliefs, assumptions, expectations, activities, interactions, norms and sentiments and as embodies in artifacts. Collaborative diagnosis and management of the culture means a shared kind of examination and management of organisation culture – not a hierarchically imposed kind.

Although the study did not consider development of organisation exactly by its behavoural science definition, the following characteristics of formal explanation of "Organisation Development" clearly indicate the importance and influence of Communication and Decision-Making practices in the development of an organisation.

- An emphasis on the work team and other team configurations as the key units for addressing issues and learning more effective modes of organisation behaviour.

- An emphasis, although not exclusively so, on group, intergroup and organisational processes in contrast to substantive content.

- An emphasis on the collaborative management of work team culture, including temporary teams.

- An emphasis on the management of the culture of the total system, including intergroup culture.

- Attention to the management of system ramifications

- A view of the change effort as an ongoing process in the context of the constantly changing environment.

1.2.2 The concept of Communication:

Communication can be defined as the transfer of information from sender to the receiver, with the information being understood by the receiver. It is no exaggeration to state that the communication process is the means by which organised activity is unified. It is also the means by which behaviour is modified, change is effected, information is made productive and goals are achieved by individuals and organisations.

Simply stated, the communication process involves the sender who transmits a message through selected channel to the receiver. Communication begins with the sender, who has a thought or an idea, which is then encoded in a way that can be understood by both the sender and receiver. The information is transmitted over a channel that links the sender with the receiver. The message may be oral or written, and it may be transmitted through a memorandum, a computer, a telephone, a telegram or television. The receiver has to be ready for the message so that it can be decoded into thought. So communication is not complete unless receiver understands it.

1.2.2.1 Structural dimension of communication in organisations: -

In today's organisations, information must flow faster than ever before. It is necessary to determine what kind of information the Education and Industry Managers need to have for effective decision making. To obtain this information frequently requires getting information from their superiors and subordinates and also from departments and people elsewhere in an organisation. In organisations, communication flows in various directions; downward, upward and crosswise.

Downward communication flows from people at higher levels to those at the lower levels in the organisational hierarchy. This kind of communication exists especially in organisations with an authoritarian atmosphere. The kinds of media used for downward oral communication include instructions, speeches, meetings, the telephone, and loudspeakers. Examples of written downward communications are memoranda, letters, handbooks, pamphlets, policy statements, procedures and electronic news display, etc.

Upward communication travels from subordinates to superiors and continues up to the organisational hierarchy. Upward communication is primarily non-directive and is usually found in participative and democratic organisational environments. Typical means for upward communication – besides the chain of command- are suggestion systems, appeal and grievance procedures, and complaint systems, counseling sessions, practice of open policy, morale questionnaire, the exit interview and the ombudsperson.

Crosswise communication includes the horizontal flow of information with people on the same or similar organisational levels and diagonal flow with persons at different levels who have no direct reporting relationships. This kind of communication is used to speed information flow, to improve understanding and to co-ordinate efforts for the achievement of organisational objectives.

1.2.2.2 Behavioural dimension of communication in organisation: -

The behavioural aspect of communication in organisation is significant in inter-personal communication in organisations. The importance of feedback lies in the fact that effective interpersonal communication is highly dependent on it. Besides feedback, other variables such as trust, expectations, values, status and compatibility have behavioural dimension in communication in organisations.

Most of the communication barriers and breakdowns have behavioural dimension. Lack of planning on the part of people in organisations, unclarified assumptions that are not communicated properly, semantic distortion, poorly expressed messages, poor listening and premature evaluation etc. have implied behavioral issues.

Besides the behavioral aspects mentioned above, there are many others. In selective perception people tend to perceive what they expect to perceive. In communication, this means that we hear what we want to hear and ignore other relevant information. Closely

related to perception is the influence of attitude, which is the pre-disposition to act or not to act in a certain way, it is a mental position regarding a fact or state.

1.2.3 The Concept of Decision Making:

Decision-making is about creating events and shaping the future. It is important to distinguish between a decision per se and the decision making process. The decision making process concerns events leading up to the moment of choice and beyond, whereas a decision means 'to cut', i.e. to resolve upon a specific choice of course of action. The academic literature basically classifies decisions into the strategic and the operational. Strategic decisions are concerned with organisational policy and direction. Operational decisions are concerned with day-to-day management of the organisation.

Decision-making may be defined as the selection from among alternatives of a course of action or solutions. Education and Industry managers sometimes see decision making as their central job because they must constantly choose what is to be done, who is to do it, and when, where and occasionally even how it will be done. The process leading to making a decision can be thought of as: -

- Premising
- Identifying alternatives
- The evaluation of alternatives in terms of the goal sought, and
- The choosing of an alternative, i.e. making a decision.

A more precise description of the steps involved in Decision-making is explained below:

In the process of decision making, understanding the 'problem' or 'issue' in all its dimensions is important. The first three steps are focussed on this endeavor. They are:

1. Knowledge of objectives/goals

2. Data gathering on 'problem' or 'issue'

3. Data analysis

On completion of this exercise, the decision-maker will be in a position to move to the fourth step of listing out all possible solutions. The fifth step viz., choosing the optimum solution(s) is the actual decision-making point, though decision making exercise can be seen in assessing the relevance of the data and choosing analysis techniques.

The sixth step consists in incorporating the decision in action. The seventh and the final step is the evaluation of action. Evaluation of action provides valid information to put in use at the first step of knowing the objectives and at the second step of data gathering. Evaluation of action endeavor also help in judging the exhaustiveness of listed possible solutions at the fourth step of decision making process.

1.2.4 Organisation culture and change effort:

Having seen the conceptual explanation of Communication and Decision-making in Organisation, let us see their importance in studies in Organisation culture. In one of the case studies published in Harvard Business Review (Nov.-Dec.) 1997) captioned **'Changing the way we change' , Richard Pascale, Mark Millemann and Linda Gioja** (Richard Pascale is an associate fellow of Templeton College, Oxford University

Mark Millemann of Millemann & Associates, a consulting firm in Portlan, Oregon

Linda Gioja is an independent consultant based in Austin, Texas who specialises in revitalisation in corporate and nonprofit sectors.) analyse their experience with organisations such as Sears, Shell and the U.S.Army.

Organisations have similar systems and symptomatologies. Their vital signs reveal a great deal about their overall health and adaptability, and about the strength and vigor of their functional systems. The four vital signs they identified at Sears, Shell, and the army give us a working definition of culture and tell us most of what we need to know about the operating state of any company or institution:

(i) Power. Do people believe they can affect organisational performance? Do they believe they have the power to make things happen?

(ii) Identity. Do individuals identify rather narrowly with their professions, working teams, or functional units, or do they identify with the organisation as a whole?

(iii) Conflict. How do members of the organisation handle conflict? Do they smooth problems over, or do they confront and resolve them?

(iv) Learning. How does the organisation learn? How does it deal with new ideas?

These three approaches are used in improving organisation culture which clearly bring about the importance of Communication and Decision-making processes.

Incorporating Employees

Sears, Shell and the U.S.Army are currently engaged in efforts to revitalise their organisations. All three are doing their best to transform the way their people experience power, identity, conflict and learning. All three, in one fashion or another, are using the same three interventions to achieve this improvement in their vital signs.

The first intervention is to incorportate employees into the activity of the organisation. This is not the same as communicating or motivating or rolling out plans hatched at the top. It is resocialisation. It means engaging employees as meaningful contributors (not just doers) in the principal challenges facing the enterprise. It means seeing employees as volunteers who decide each day whether or not to contribute the extra ounce of discretionary energy that will differentiate the enterprise from its rivals.

Leading from a Different Place

An organisation coming unfrozen under an overload of experimentation and new ideas is a terrifying thing for traditional leaders. Matters seem out of control, which to a degree they are. But as leaders whether this storm, they begin to undergo a shift in mind-set. From thinking, "I've got to stay in control" or "This is too fast," they develop an ability to operate outside their comfort zone and accept ambiguity and adversity as a part of the design. The second of the three interventions - a new approach to leadership - requires them to establish focus and urgency, maintain healthy levels of stress, and not fees compelled to come to the rescue with a lot answers. They learn to stay the course until

guerilla leaders at lower levels come forward with initiatives that address the organisation's shortcomings.

Leading from a different place requires great resolve both to stay the course and to resist the temptation to provide the answer. The solutions, and the commitment to deliver on them, must come from the ranks. Leaders must maintain the pressure until followers see that they are going to have to make things happen, until guerilla leaders step forward and begin to engage in leaderlike acts. Not everyone is a guerrilla leader, but sustained stress will eventually produce enough such leaders to begin shifting the tide of vital signs.

Instilling Mental Disciplines

They have seen at Sears, Shell and the U.S.Army that incorporation combined with a different type of leadership was able to reverse an organisation's drift and restore its cultural vitality. If an organisation is to change the way its people think and act and interact, and if this resocialisation is not to evaporate the moment financial results improve and people start to believe the worst is over, then people must internalise a set principles or disciplines that shape their reactions and govern their behaviour. Disciplines of this kind might also be called enduring social patterns, but they are a good deal more than unconscious habits. Habits are automatic and therefore mindless. Disciplines are mindful.

Researchers at the Havard Business School recently tracked the impact of change efforts among the Fortune 100. Virtually all these companies implemented at least one change program between 1980 and 1995, but only 30% of those initiatives produced an improvement in bottom-line results that exceeded the organisation's cost of capital, and only 50% led to an improvement in market share price. This discouraging result was not for lack of trying. On average, each of the organisations invested $ 1 billion in change programs over the 15 year period.

Frustration with such results is naturally wide-spread because the effort and the outcome are so hugely disproportionate. Or to be more precise, the effort of some people in a organisation is so much greater than the outcome for all. The solution is to focus on the all, to shift the attention from incremental change to the tools that can tranform the attitudes and behaviour of every last individual.

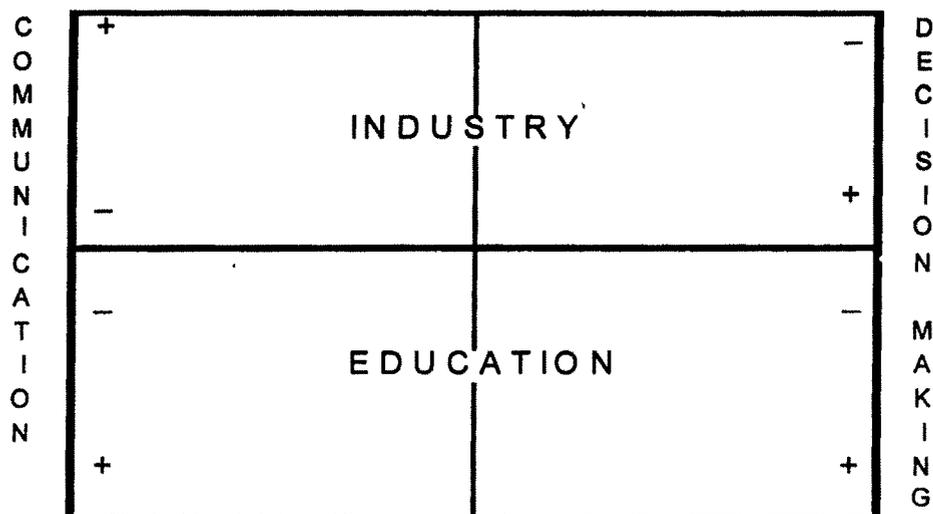## 1.2.5 Diagrammatic representation of the conceptual model

Figure 1.1

The study is aimed at knowing the strengths and lacunae of Communication and Decision-making practices in Industry and Education. The findings are being used for designing certain models of Communication and Decision-making practices for Educational institution.

1.3   BACKGROUND OF THE STUDY

In the process of creating knowledge-based organisations, one of the important aspects is to formulate methods and systems focussing on improved and meaningful interface between the Industrial organisations and the Educational institutions. If Educational institutions can be viewed as the places where the sharpening of instruments of knowledge take place, the Industrial organisations are the fields where the instruments of knowledge find appropriate expressions. Swami Vivekanand explained Education - "Is it book learning? No. Is it diverse knowledge? Not even that. The current and expression of will are brought under control and become fruitful is called Education."

If thought generates knowledge, the credo of tomorrow's Educational institutions and Industrial organisations is clear. They know. And therefore, they exist. But knowledge to today's and tomorrow's organisations is not understanding of the unchanging, as Plato thought it was. It is not the perception of agreement and disagreement between two ideas, as philosopher John Locke would have it. It is, actually, a combination of know-what, know-why, and know-how, as embedded in the consciousness of the only entity capable of producing and processing it. People.

In the knowledge economy of tomorrow, the learning organisation alone will survive. For, only its abilities to learn, create, codify and utilise knowledge faster than its rivals, whether in Education or in Industry – quicker than the environmental changes – will provide tomorrow's corporation or institution a competitive advantage that is eternally sustainable.   Indeed, since the core competence of any organisation, especially Educational institutions, is nothing but the individual and collective learning of all its people- and the value chain it creates will itself only be a domain of integrated learning, the organisations must be built around, for, and by people.   People must constantly augment their abilities to produce the results they truly desire, nurture innovative patterns of thinking, set free their collective aspirations, and continually learn how to learn together, overcoming the learning disabilities, by increased interface between Industry and Education which are essentially complex socio-economic institutions in their own right in the present fast changing world.

Industry-institution partnership is needed for creating and sustaining learning organisation in the post-liberalisation era.   Between the organisations and its most important resource.   Between the learning organisation and its teacher-pupils. Between organisation purpose and individual aspirations. And it can only be brokered by another alliance; between development of organisation with its Communication and Decision-Making practices.

The progress and development of any organisation or institution largely depends on the people who work for it. The management of these organisations has many a facets depending on their nature, goal, objectives, structure, size etc. Whatever be the nature, objectives, business, etc. of the organisation, the people in the organisation are subject to two of the major human processes viz., Communication and Decision-Making. As Peter Senge of Sloan School of Management, MIT observes, "My emphasis in building learning organisations is to move beyond the traditional focus of quality to look at the more subtle human processes that underlie all organisations. The central territory of this work ('Fifth Discipline - The Art and Practice of Learning Organisation') is nothing less than how people think and interact." Communication and Decision-Making processes in the organisations draw much of the 'thinking' and 'interacting' activity of the people who constitute the organisation.

1.4 PROBLEM IDENTIFICATION AND RATIONALE OF THE STUDY:

The current happenings all over the world on the educational, socio-economic and socio-political scene give us glimpses of the future things to come. The opening up of socialist countries to market economy, emergence of a common European Market and other such regional economic conglomerations, liberalisation of trade barriers, etc., are likely to create an international joint family of trade and economy which would result in the fading out of geo-political boundaries and isolationistic policies of National Education and Economy.

The new age of technological changes and the ushering in of an era of Information Technology would result in instantaneous availability of information from all corners of the world, thereby making organisations highly knowledgeable and sensitive to the growing changes. Consequent to the knowledge explosion and change in communication systems, coupled with socio-economic, cultural and political changes, emphasis in future will be on quality of life, demand to work in softer areas, enhancing educational qualifications, more freedom, self esteem, self actualisation and general improvement in standard of life.

The Education and Industry have direct bearing on life and living. While Education aims generally at improving "standard of life", Industry aims at improving the "standard of living".

The growing importance of the machines and the role of hi-tech in day to day life would result in alienation which includes powerlessness, normlessness, isolation and self-estrangement. Therefore, the psychological and behavioral aspects of the new work pattern would gain more importance and the 'high-tech' would require the systems of Education and Industry to adopt 'hi-touch' implying more human approach. Human approach in organisations is vital for the development of the organisation in its endeavor to achieve its goals. Achievement of goals or organisations in a people-oriented fashion demand effective Communication and Decision-making practices in organisations.

Education systems around the world are being restructured along new lines. Managers from field outside Education are securing executive positions in Education systems and they are encouraging Education managers to exercise discretion, to focus on efficiency, to act entrepreneurially, to cater to their clients, to establish a niche in their education market place. Leaders in educational organisations are being challenged to manage their organisation in ways that have associated with private enterprise.

The significance and rationale of this study focussing on Education and Industry are explained in the following observations of the investigator based on discussions and reading carried out by him which highlight certain similarities and differences between both systems that have direct relation to the present research endeavor.

*Education managers may learn much from their counterparts in Industry in respect of practical skills such as financial management, staff selection and forecasting. At the same time, the diversity of management styles and standards highlight the need for selectivity in choosing from whom to learn.

*Industry managers with the help of their publications and research based on their practical experience may be able to advise Education managers in matters of organisational design. The Ravi Mathai Centre for Education Innovation, Indian Institute of Management, Ahmedabad, and the Committees of various Local Management Associations on Industry-Institution Interface are engaged in commendable work in the

areas where Educational institutions and Industry co-operate to explore adopting systems and practices from each other.

*Commercial Managers and establishments can learn many from Education. Educational institutions exist for purposes other than profit; teachers are usually motivated by an interest in the development of students. Managers of educational enterprises may have useful advice for business leaders in matters such as formulation of organisational mission statements which assumes significance in the endeavor of more and more industrial organisations going for international recognition such as ISO 9000 Quality System Certification, development of a positive organisation wide ethos, reflection on the ethical aspects of management, identification of intrinsic rewards for professional effort and establishment of consultative approaches to work and decision-making.

*Teaching professionals may be well-placed to inform business managers about acquisition of instructional skills that industries such as computing require. Educators, who are often called upon to develop new expertise and to manage new curriculum content, may also be good models of adaptability in the work place; such adaptability, rather than specialisation, is of growing importance in the world of commerce.

*Closer contact between Industry and Education may also improve the image of Education since there is a general lack of understanding in Business of the demands and regimen in Education.

*There are however, basic organisational differences between commercial educational organisations that prevent blanket application of managerial practices from one sector to another. For instance, the performance indicators are often readily available to business managers but the outputs of not-for-profit enterprises such as Education institutions are much harder to identify and quantify.

The present study, with its focus on Communication and Decision-making practices in Education and Industry, assumes significance in its endeavor to arrive at suitable models of Communication and Decision-making practices for Educational institutions by comparing and analyzing the existing practices in both these organisations. Further, this study essentially views Educational institution and Industry as organisations constituted of individual human beings, involved in the path of achieving organisational goals, and are subject to the dynamics of Communication and Decision-making in organisation.

1. 5. STATEMENT OF THE PROBLEM:

"A study of Organisation Development in Education and Industry with Respect to Communication and Decision-making Practices."

1. 6. OBJECTIVES OF THE STUDY:

1.6.1. To find the strengths and constraints of communication and decision-making practices in Educational institutions imparting professional courses, based on the opinions of experienced teaching professionals.

1.6.2. To find the strengths and constraints of communication and decision-making practices in industrial organisation, based on the opinions of practicing management professionals.

1.6.3. Identifying the ideal practices of communication and decision-making for education based on the fusion of findings related to practices of communication and decision-making in industrial organisation and educational institution.

1.6.4. Recommending a model of communication and decision-making practices suitable for professional educational institutions with the objective of enhancing the development of the organisation.

1.7. HYPOTHESIS

Effective management practices and processes are essential for development of any organisation in any sector. Management practices and processes vary from organisation to organisation, from subsystem to subsystem and from sector to sector, depending, among other aspects, on goals, structure, environment etc. Communication and Decision making practices in organisations should be seen as very fundamental and sustaining processes in the development of the organisation. Whatever be the nature, goals and characteristics of an organisation, it is essentially constituted of people. In various the organisational processes, people interact and move the organisation towards its goals. Communication and Decision making practices provide a meaningful direction to this interaction.

There could be similarities and differences in various dimensions of Communication and Decision making practices in Educational and Industrial organisations. Appropriate study and analysis of these similarities and differences would help in exploring the

possibility of arriving at a suitable model of Communication and Decision making practices for Educational institution. The hypothesis of the study is centered around this aspect and the study endeavours to evaluate the strengths and constraints of Communication and Decision making practices in Education and Industry based on the opinions of Managers in these sectors.

1. 8. CONCLUSION

The unprecedented pace with which the changes happening in the global socio-economic and techno-commercial environment pull down the geographical barriers of nations and develop a global village. In order to survive, compete and to move ahead, the individuals, organisations and the nations have no other choice but to build up their knowledge base. While there is no alternative for 'self development' for individuals, the organisations can resort to state-of-the-art practices. Communication and Decision making practices assume significance in the path of development of an organisation, whether in Education or Industry sector, as they are very fundamental to its existence and growth. Communication means the transfer of information from the sender to the receiver with the information being understood by the receiver. Decision making process in organisation means choosing appropriate or best suitable solution or course of action from among all available alternatives. This research endeavour is focussed on understanding the strengths and constraints of Communication and Decision making practices in Educational and Industrial organisation with the objective of designing a model of these practices for Educational institution.