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A Review of Theory and Research on Organisational Dynamics in Higher Education Institutions

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Abstract

The economic growth and development of a nation depends on the quality and performance of educational institutions. Among the various levels of educational institutions, higher educational institutions drastically influences the development of a nation. The Indian Education Scenario is rapidly changing. The higher education empowers the students with necessary skills and competence for achieving the social and personal goals. This study tries to explore the dynamic capabilities of higher educational institutions. The paper through reviews tries to understand the Dynamic capabilities that facilitate performance of higher education institutions and discuss the current challenges and the difficulties in capturing the process dynamics.

Keywords : Organisational Dynamics, Higher Educational Institutions, Institutional Performance, Organisational Change, Organisational Adaption.

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Introduction

Organisational Dynamics is the study of how people in a large company or organization behave and react to each other, and of how the organization can be made to work more effectively.

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Organizational dynamics refers to the patterns of movement over time in the interactions between the people who are part of the organization. Such patterns could be described, for example, as regular patterns of dependence and conformity, or as irregular patterns of aggression and noncompliance.

An organization is an integrated institution consisting of individual and groups. The organization affects its employees through its policies, procedures and programmes and the employees inturn impact the organization through their effectiveness and efficiency. The aim of every organization is to increase productivity, job satisfaction and profitability and decrease absenteeism, turnover and loss. Thus Organisation Dynamics is a synergistic process.

"Organizational dynamics are more commonly known as group or social dynamics." Organizations cannot be pictured in a very simple, linear manner. They are characterized by the simultaneous presence of contradictory, even mutually exclusive elements (e.g., centralization and decentralization, innovation and routine). Shortly, organizations are fertile grounds for paradox to be enacted.

The organizations are highly complex and they are goal oriented process. The fundamental to organizational theory is the systems framework. Kurt Lewin developed the systems perspective within organizational theory. Lewin's study revealed that changing human systems often involved variables that could not be controlled by traditional research methods developed in the physical sciences. This led to the development of action research and the powerful notion that the human systems could be understood and changed only by involving the members of the system in the inquiry process itself.

Nowadays organizational theory and research has undergone many advancements. Organisational Dynamics takes a systems approach to study the employee- organization interface problem . Its aim is to increase productivity and employee satisfaction. Organisational dynamics is an encapsulation of Group

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dynamics, Role dynamics, Power dynamics, Intra organizational dynamics and Inter organizational dynamics.

The open systems and socio-technical systems design underlie the advancements. Concepts such as organizational adaptation (a process) and dynamic capabilities of organizations (an organizational characteristic) are the embodiment of the open systems perspective in organization studies.

'Organizational adaptation' denotes the changes in an organization (both environment driven and organization driven), that align it with environmental demands. Thus, the characteristics of organizations and their environments interact to create unique identities and ways in which organizations adapt over the passage of time. However, adaptation is neither a linear, nor an obvious process. Organizations go through periods of evolutionary or incremental change, involving short, sharp, radical transitions. The incremental change on one hand may have revolutionary consequences, and rapid change on the other hand creates momentum to overcome inertia that builds up over time. Greiner's evolution-revolution model of organizational growth shows how the stages of stability are followed by revolutionary change that eventually crystallizes into a new equilibrium that consists of the seeds of its own destruction. This perspective is similar to the notions of steady states and transition states drawn from the open systems perspective. Another dimension of the dynamic perspective in organizations is the study of dynamic capabilities. The dynamic capabilities of organizations denote the capacity of an organization to adapt its competencies to the requirements of its competitive environment. These capabilities are considered a fundamental factor in the development of sustainable competitive advantage, particularly in highly dynamic markets (Zollo & Lomi, 2007).

The word 'dynamic capabilities' has been coined by Teece, Pisano, and Shuen who defined it as the firm's ability to integrate, build and reconfigure internal and external competencies to address rapidly changing environments. There is some debate as to whether these capabilities are more strategic (Zollo & Lomi, 2007) or rather unstructured and improvisational in their nature. The theory on dynamic capabilities is at an initial stage: basically there is no broad agreement regarding the definition of the term. However there is an agreement on the role

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dynamic capabilities play in explaining organizational adaptation and potentially, sustained success, and on the fact that their impact on organizational effectiveness is expected to grow with increasing levels of environmental dynamism (Zollo & Lomi, 2007)

The study of organizational dynamics is significant due to possible linkages with key organizational factors namely productivity, absenteeism, turnover and job satisfaction. Organisational Dynamics also plays a critical role in organizations where people and process play a vital role. The service sector is one such area.

Education is a service, hence to understand the management of educational organizations we need to be aware of the specialties of the management of services. The best definition of service is: "A service is an activity or performance one offers to another which is intangible and it does not entail the ownership of the resources of the production". On the other hand service is a business activity that creates value and provides advantages to the customer. Education is a professional service, as it is labour-intensive where interaction and client-orientation is significant. It is also a mutual service, as it is not possible without the active cooperation of the client. In the management of services the priority is the quality perceived by the client. So the business objective is not external efficiency, productivity or the economies of scale but the total efficiency.

Higher education institutions are different from manufacturing organizations in two senses. They are providing services and their core activity being educating. Their peculiarities derived from these two characteristics determine the way of management as well. Higher education institutions are complex adaptive systems that are permanently interacting with their environment and changing their behaviour as needed in order to survive, to thrive or to avoid deterioration.

Higher education and research organizations are undergoing a process of in-depth transformations in recent decades. "Responding to these new demands requires new kinds of resources and new forms of management that enable Higher education institutions to make a dynamic contribution to the development process". They need to compete for teachers, researchers, students and funds and get used to managerial procedures and producing reports which allow internal and external bodies to evaluate their performance.

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Institutions of higher education are places of research, teaching and learning. Future decision-makers are educated and empowered to act. Institutions of higher education can pave the way for change processes and can contribute towards tackling current crises by tapping various potential paths that lead to sustainable development: both inwardly – e.g. through specifically sustainability-oriented approaches in research and teaching or the coordination and management of sustainability in companies – and outwardly – e.g. through the transfer of knowledge acquired through sustainability research to other areas of society.

Literature Review

The first review is about capacity development in higher education institutions (HEI) in developing countries. The objective is to develop a framework for analysing capacity development in HEI in developing countries. The framework aims to describe concepts relevant for capacity development in HEI and the relations between the concepts. The paper reviews literature in three relevant knowledge domains. First, capacity development is one of the topics studied in development studies, a multidisciplinary branch of social science which addresses issues of concern to developing countries and that has placed a particular focus on issues related to social and economic development. Secondly the needs for increased performance of HEI in developing countries is described and illustrated. The third and fourth domains respectively describe the results of the literature review of the development studies perspective on capacity development and of the organizational theory perspective on organizational development.

An institution is a relatively enduring collection of rules and organized practices, embedded in structures of meaning and resources that are relatively invariant in the face of turnover of individuals and relatively resilient to the idiosyncratic preferences and expectations of individuals and changing external circumstances. Constitutive rules and practices prescribe appropriate behavior for specific actors in specific situations – for example, codes a scientist/scholar or student cannot violate without ceasing to be a scientist/scholar or student. Structures of meaning, embedded in identities and belongings explain, justify and legitimate

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behavioral codes; they provide common purposes and give direction and meaning to behavior. Structures of resources create capabilities for acting; they empower and constrain actors differently and make them more or less capable of acting according to prescriptive rules (March and Olsen 1989, 1995, 2006). The degree and form of institutionalization impact both motivation and capacity to follow institutionalized rules and codes of behavior. In contrast to an instrumental perspective, an institutional perspective assumes that rules and practices have a value in themselves and that their immediate substantive effects can be uncertain or imprecise. For example, the benefits of the University are not easily planned or predicted. To a large extent the University is a set of activities whose benefits have to be enjoyed after they are accomplished – in Maddox's words, as ripe fruit can be picket from a tree (Maddox 1964: 159). In contrast to an instrumental perspective, an institutional perspective also assumes that well-entrenched institutions reflect the historical experience of a community, that they take time to root and that they are difficult to change rapidly and radically, except under special circumstances such as widely agreed-upon performance crises. As an institution the University is involved in a pact based on long-term cultural commitments.

Institutional change is often seen as driven by perceived failure – the institution fail to meet expected functional performance or there is an erosion of its normative basis and legitimacy. It is however suggested that institutional success may also carry the seeds of institutional confusion, crisis and change. Success has made aspiration levels raise rapidly, creating what may turn out to be unrealistic expectations. A result has been work overload and institutional confusion. Institutional confusion, in turn, generates disappointment, criticism and sometimes an atmosphere of crisis. Historically, universities have survived by turning institutional confusion and crisis into reexamination, search, innovation and rejuvenation. There is no guarantee it will happen again. Developments will, as before, depend upon many factors the University cannot control. What the University can do is to critically re-examine its self-understanding as an academic institution: its purposes, core values and principles, its organization and governance systems, its resources and friends, and its social obligations. A possible starting point is to focus

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upon the University's work processes (and not solely its processes of governance) and its participation in a global intellectual competition among ideas (and not solely its role in economic competition). A key question is: What are the organized settings that attract highly qualified people and encourage academic excellence and free inquiry and also make the University take seriously its social and cultural responsibilities in a democratic society? The answer is most likely found in a mix of visions and principles and improved analytical frameworks and better comparative data are likely to be of great help in such an endeavor.

This paper contributes to the emerging scholarly debate on institutional positioning in higher education by presenting a literature review and argues that, besides external forces and strategic intent, the organizational dimension is an important determinant of university institutional positioning.

Generally speaking, dynamic capabilities refer to the professional functions by which an organization itself takes the initiative in carrying out self-adjustment and self-improvement through analyzing the factors of competition and challenges while encountering both internal innovatory needs and external environment changes in order to improve the efficiency and to maintain its persistent growth of the *Wu, M.C. et al.* organization itself. Therefore, the dynamic capabilities in business world usually include the responding mechanism for organization handling environmental changes, the self-positioning mechanism for future development, the cultivating mechanism for organizational members enhancing better proficiency, the motivating mechanism for encouraging innovation, as well as the feedback mechanism for self-reviewing.

What worth of thought-provoking is that, these five domains of dynamic capabilities are the strategies which have been always attached great importance and self- reinforced by business organizations, but whether today's higher education institutions have also attached the same importance on them and put into practice? What kind of the structural relationships exists among these five domains?

The primary purpose of the second review was consequently to investigate the dynamic capabilities which the universities of technology in Taiwan generally

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possessed, and to further scrutinize the internal structural relationships among the five domains of dynamic capabilities in the educational settings.

The study focused on the following two research questions: (1) How did universities of technology perform in dynamic capabilities of facilitating their educational improvement? (2) How did the structural relationships exist among the five dynamic capability domains in the educational settings?

Higher educational institutions are deliberately established to cultivate students with proficiency; the educational quality in these institutions are tightly tied with social and industrial development pulses, and consequently appropriate self-positioning as well as professional competency enhancement for faculty members. That is, its mission and educational quality are dynamically revolutionizing in accordance with social changes and technology innovation. Higher educational institutions are therefore needed to self-examine their own dynamic capabilities, particularly, in the face of both the external challenges from over-expanded peer Higher educational institution numbers and rapid environmental changes, and the internal ones from faculty members' proficiency and student recruitment.

Of concern is how well the dynamic capabilities of current universities of technology in Taiwan realistically perform? In particular, whether these universities possess a complete set of persistent and autonomous reform approaches to their educational improvement? Therefore, this study emphasized on the five dynamic domains cited from business world, including "mechanism for self-positioning", "Mechanism for enhancing members' abilities", "mechanism for encouraging innovation", "mechanism for responding to competitive environment", and "mechanism for persistently self-reviewing", these universities possessed. In the meantime, this study also explored whether some formats and extents of internal structural relationships existed among the five dynamic capability domains in the university settings.

This study took a questionnaire survey method to realize the dynamic capabilities existing in universities of technology and explore the structural relationships that may exist among the five dynamic capability domains. The survey questionnaire used in this study was designed on the basis of the two existent

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instruments originally developed by Huang (2005) and Ma and Todorovic (2011). Huang's (2005) instrument titled as " Dynamic Capability Assessment for Vocational High School" was developed to assess the dynamic capabilities in vocational high schools and validated as reliable in overall assessment (Cronbach's α =0.97) and 7 domains including Administration integration (α =0.92), Self-positioning (α =0.92), Technology application (α = 0.90), Organization learning (α =0.89), Innovation (α =0.90), Knowledge management (α = 0.81), and Strategy flexibility (α =0.75). Ma and Todorovic's (2011) instrument, focusing on university's connection with external resources and strategies responding external changes, was also validated in its four domains: Customer-oriented strategy (α =0.75). Competitor-oriented strategy (α =0.65), Internal cross- division integration (α =0.71), and University performance (α = 0.80). These two instruments, approved to be qualified instruments with acceptable reliabilities, almost delineated the major domains and contents of dynamic capabilities in educational settings. This study adopted the SPSS 18.0 and AMOS statistical analysis software to carry out the reliability and validity analyses, and descriptive statistics analyses. The descriptive analysis revealed that the universities of technology in Taiwan generally recognized and possessed quite good dynamic capabilities. The detailed analysis results further revealed that the mechanism for self-positioning was most dynamic capability domain, however, the mechanism for encouraging innovation was comparatively weak. That is, the universities of technology currently attached importance to dynamic capabilities of persistently ensuring educational quality, particularly emphasized on self-positioning for school development as well as enhancing faculty members' professional abilities. It could be a warning sign that the mechanism for encouraging innovation in universities of technology received relatively fewer attention and recognition. This innovation deficiency might inevitably cause a hysteresis in academic development and dull administration in these universities.

This study purported to explore the educational goal for administrative effectiveness and profit improvement factors in universities of technology production. The following conclusions could be drawn. The universities of technology in Taiwan generally possess the acceptable level of dynamic capabilities. These universities of

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technology rely on all for overall educational improvement rather than any single one. Based on research findings and conclusions, the following recommendations were made

The dynamic capabilities possess high relationship among its five domains and hence it is suggested that university leaders should have proficient skills to coordinate and integrate any endeavors from various departments for a single mission persistently improving educational quality with dynamics. Future studies are recommended to take qualitative research methods to in-depth interview senior administrative heads and on-site observe the decision-making processes in order to further understand the dynamic capabilities in universities of technology while planning educational improvement policies and encountering internal and external changes.

Greater understanding of organizational dynamics can benefit both administrators and policy makers associated with these efforts. Each professional field has accumulated studies related to them, although the extent and usefulness of this growing literature varies greatly from field to field. Insights into such organizational dynamics are most likely to result from comparative analysis across professional fields

Thus the conclusion arrived is that

- defining the objectives in educational organizations is more difficult than in business enterprises. Non-profit educational organizations do not have the clear objectives as that of the commercial organizations: maximizing output and profit. Also, they are expected to develop individual skills, while they should educate people to meet the norms of the society. In for-profit educational organizations educational objectives may confront with business objectives.
- It is difficult to tell whether education has attained its objectives or not. Success cannot be measured in financial terms: sales, profit or dividend.

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- The fact that 'the student' is in the center of an educational organization causes some difficulties. Students can be regarded as clients, but also as the raw material of production. But students are different from industrial raw materials. They cannot be processed, and teaching and learning are based on personal relationships, they are loaded with individual characteristics and the result is impossible to predict. Thishuman volatility makes the evaluation of performance even more complex.
- Teachers also have characteristics that cause difficulties for management. Leaders and teachers of schools have common education, professional roots, values, experiences. Also, teachers demand a certain amount of autonomy in the teaching process, and it is difficult to define or to control their relationship with the students.
- The agent-client relationship of teacher and student is different from that of other agents and clients. Student-clients have only limited opportunity to choose their teacher-agents and satisfying students' expectations does not always serve their true interests.
- External actors strongly influence the decisions of educational organizations. And in large organizations the different training programs, locations and semesters are all decision points. These two factors make decision-making and allocation of responsibility difficult.
- Many top and middle managers in educational organizations do not have enough time to deal with leadership issues. They often have lectures and other education-related tasks. So their time spent on managing the organization is limited and it has serious consequences. Their funding depends on the quality of their services and there is no guarantee for new clients.

Conclusion

Thus this paper tries to give a bird's eye view of different organizational dynamics parameters in higher educational institutions which is a critical input and strategical tools that needs to be paid attention to by the administrators in an

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endeavor to accomplish the goals of social and economic growth through high institutional performance.

A revolution is underway. Prevailing trends include fundamental changes like the unity of research and teaching, who controls specific bodies of knowledge and who defines criteria of excellence and social needs, the structure of departments, degree programs and courses, the relations between those who do research and teach and academic and administrative leaders, and in governments' commitment to funding universities. In order to bring new insights in higher education analysis, it can be argued that an organizational approach could integrate and combine structural, cultural and practice-related factors.

Areas of possible change in higher education institutions includes strategic goals, mission (e.g. creating a new institutional strategy or modifying the existing one) - curriculum and teaching methods (e.g. introducing a new teaching program, modifying or abolishing an existing one or promoting the use of ICT and e-learning in teaching) - human resources (e.g. introducing salary differentiation based on performance indicators or changing the rules of getting permanent work contracts) - research, development and innovation (e.g. enhancing university-industry cooperation or creating new mechanisms of knowledge transfer) - internal organisational and management structure (e.g. integrating a decentralised university through shifting some jurisdictions from faculties to the rector"s office or merging smaller disciplinary chairs into larger interdisciplinary departments) - quality and evaluation (e.g. introducing a new standard form of course description or a new system of evaluation of teachers by students) - student services and welfare (e.g. establishing a new career advisory service) - resource allocation mechanisms within the institution (e.g. allowing faculties or smaller units to raise revenues or introducing a reallocation mechanism that shift resources from "richer" to "poorer" faculties) - relationships with the environment (e.g. involving external partners into governing boards or trying to reach new partners by improving communication) - the culture of the organisation (e.g. the emergence of an outward-looking culture that fosters risk-taking or the transformation of a bureaucratic organisation into a learning organisation)

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As most of the areas and processes mentioned above are strongly interlinked, changing one of them may have implications for the others. Institutions of higher education can pave the way for change processes and can contribute towards tackling current crises by tapping various potential paths that lead to sustainable development. The Sustainability Code for Higher Education Institutions seeks to strengthen institutions of higher education in their role as agents of change. It helps institutions of higher education to demonstrate their sustainability activities and aims to enable even more institutions of higher education to align their quality and strategy development as well as their internal management more strictly to the principles of sustainable development.

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