



Concepts Underlying Evaluating Organizational Effectiveness

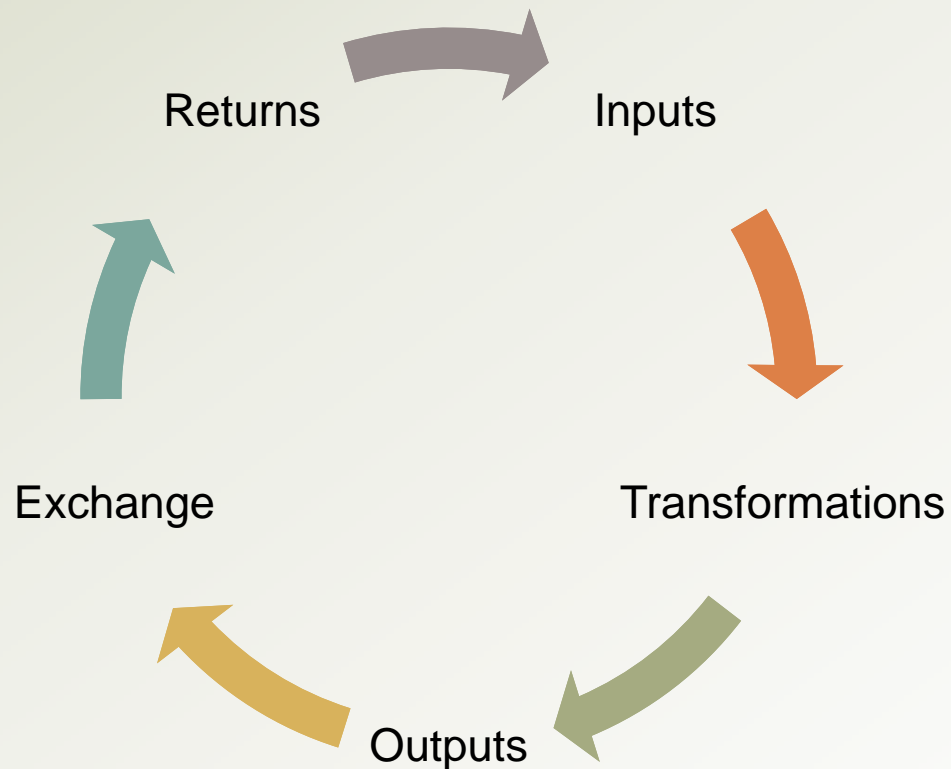
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Overview of Presentation

- Organizational assessment
- Assessment approaches
- A new perspective using the OEC

Organizational Effectiveness

The extent to which an organization is of sustainable value and maximizes return to humans by transforming inputs and exchanging outputs while minimizing harm from its actions.



Organizational Assessment (OA)

“The process of measuring the effectiveness of an organization from the behavioral or social-system perspective.”

Lawler III, E. E., Nadler, D. A., & Cammann, C. (1980, p. 6). *Organizational Assessment*, New York: John-Wiley & Sons.

Areas of OA

- Tasks
- Individuals
- Groups
- Formal and informal arrangements
- Environment (systems)
- Outputs

Characteristics of OA

- Multi-level analysis
- Analytic rather than holistic
- Focus on measurement, not evaluation
- Limited value premises
- Incapable of evaluative conclusions

Assessment Approaches

Six Major Approaches

1. Goal model
2. Systems model
3. Process model
4. Strategic constituencies model
5. Competing values framework
6. Malcolm Baldrige quality assessment

Attributes of Commons Approaches

	Goal	System	Process	Strategic	CVF	Baldrige
Process		✓	✓		✓	✓
Outcomes	✓		◇	✓	✓	✓
Costs		✓	✓		◇	✓
Comparisons					◇	✓
Ethics component				◇		◇
Needs-based				◇		
Side-effects pickup		◇	◇			
Formative		✓	✓	✓	✓	✓
Summative	✓			✓		✓

✓ Included

◇ Potentially included

Key Limitations of Current Approaches

- ❑ Serious absence of ethical component
- ❑ Side effects not addressed
- ❑ Lacking specifics on criteria of merit
- ❑ Bias toward management
- ❑ Selection of constituencies not addressed
- ❑ No explicit inclusion of organization needs
- ❑ No guidance for synthesis of findings

A New Perspective

Organizational Effectiveness Evaluation Checklist Approach

Organizational Effectiveness Evaluation Checklist (OEC)

- ❑ Criteria of merit checklist
- ❑ Iterative, weakly sequential
- ❑ Designed for use in business and industry
- ❑ Applicable to all organizations
- ❑ Intended for evaluators (internal and external)
- ❑ Allows for formative and summative evaluations

OEC Steps

1. Establish evaluation boundaries
2. Conduct strategic needs assessment
3. Define the values to be used
4. Design and implement evaluation
5. Create performance matrices
6. Synthesize performance data with values
7. Communicate and report activities

Global Criteria of Merit

Dimension	Subdimension
Purposefulness	Efficiency
	Productivity
	Stability
Adaptability	Innovation
	Growth
	Evaluative
Sustainability	Fiscal health
	Output quality
	Information management
	Conflict-cohesion
Harm minimization	Ethicality and legality

Major Distinctions and Contributions

- Mnemonic device for evaluating organizations
- Global criteria of merit
- Inclusion of organization needs
- Focus on both means and ends
- Augments existing models of OA
- Supports organizational growth and learning
- Facilitates maximization of return and organizational survival

Current Status of OEC

- Expert panel review underway
- Field test scheduled to begin in March
- Revised OEC available in May

Thank You

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