

# ORGANIZATIONAL EFFECTIVENESS EVALUATION CHECKLIST

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## Introduction

The Organizational Effectiveness Evaluation Checklist (OEC) is a tool for professional evaluators, organizational consultants, and management practitioners to use when conducting an evaluation of organizational effectiveness. It can also be used for designing and metaevaluating an organizational effectiveness evaluation.

The OEC is designed for use in business and industry. However, the explicit focus on common organizational activities (input, output, transformation, and exchange) allows the checklist to be used in virtually all organizational settings regardless of the organization's type, purpose, structure, or environment.

Although the basic framework can be applied to nearly all organizations, the specific measures used may differ according to the organization type (e.g., for-profit or nonprofit), purpose, and other contextual matters. The contingency aspect of the OEC approach permits this flexibility to account for changes in environmental conditions and shifts in organizational direction.

Other characteristics of the OEC include its temporal relevance (i.e., balancing short-run considerations with long-run interests), ability to deal with conflicting criteria, practical versus theoretical significance, modest usage of organizational goals, and generalizability of the approach.

Throughout this checklist the term organization refers to planned units, deliberately structured for attaining specific goals or purposes. Organizations are viewed as open-systems that transform inputs into outputs and exchange the outputs with the environment for something in return. Organizational effectiveness is defined as *the extent to which the organization provides sustainable value through the purposeful transformation of inputs and exchange of outputs, while minimizing harm from its actions*.

The first part of the checklist provides a process overview followed by an outline of the checkpoints for the user to ensure that important components are not omitted in error or oversight. The second part of the checklist provides explanations of each step and checkpoint, and includes the universal criteria of merit for evaluating organizational effectiveness. A glossary of important terminology used throughout the document is provided at the end of the checklist as a quick reference guide for the user. The glossary terms are CAPITALIZED throughout the checklist. In addition, guiding questions are included in the sidebar to stimulate use and provide direction to the user.

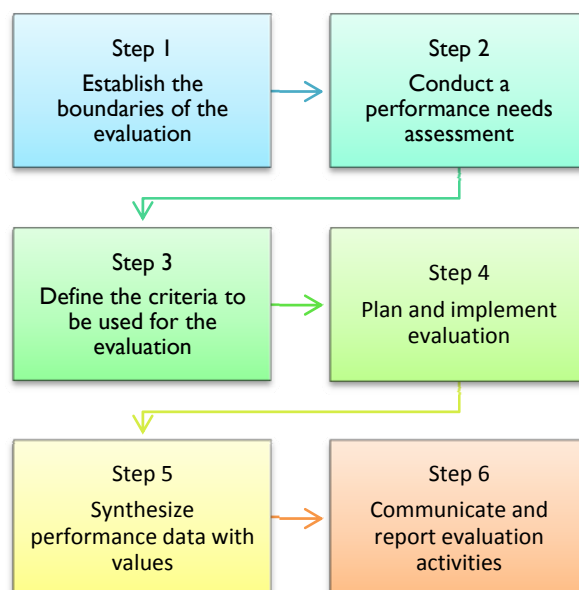


## Process Overview

The OEC has six steps: (1) establish the boundaries of the evaluation; (2) conduct a performance needs assessment; (3) define the criteria of merit; (4) plan and implement the evaluation; (5) synthesize performance data with values; and (6) communicate and report evaluation findings. Within each step are a series of checkpoints intended to guide the evaluator. Embedded within this framework are the universal criteria of merit for evaluating organizational effectiveness.

The OEC is an iterative process. The iterative nature suggests that the user will benefit from going through the checklist several times as new information is discovered or problems identified that may require modifications to reach an appropriate appraisal for each checkpoint. For example, the identification of performance-level needs is a checkpoint under Step 2. The performance-level needs are used to generate contextual criteria (Step 3) for which performance data are collected (Step 4). While collecting performance data, new environmental conditions may be identified and justify the inclusion of additional contextual criteria. These developments should be anticipated to ensure due consideration is given to each conclusion made during the evaluation process.

Although the OEC is iterative, the sequence of the checkpoints is of logistical importance (e.g., criteria must be defined prior to collecting performance data) and ordered for efficiency. It is recommended to make a quick trial run through the OEC prior to committing to the evaluation to ensure an evaluation of the organization's effectiveness is appropriate based on the questions to be answered and the data that will need to be obtained to make evaluative conclusions.



## Outline of the OEC

1. Establish the boundaries of the evaluation.
  - ☐ 1.1 Identify the evaluation client, primary liaison, and power brokers.
  - ☐ 1.2 Clarify the organizational domain to be evaluated.
  - ☐ 1.3 Clarify why the evaluation is being requested.
  - ☐ 1.4 Clarify the timeframe to be employed.
  - ☐ 1.5 Clarify the resources available for the evaluation.
  - ☐ 1.6 Identify the primary beneficiaries and organizational participants.
  - ☐ 1.7 Conduct an evaluability assessment.
2. Conduct a performance needs assessment.
  - ☐ 2.1 Clarify the purpose of the organization.
  - ☐ 2.2 Assess internal knowledge needs.
  - ☐ 2.3 Scan the external environment.
  - ☐ 2.4 Conduct a strength, weakness, opportunity, and threat analysis.
  - ☐ 2.5 Identify the performance-level needs of the organization.
3. Define the criteria to be used for the evaluation.
  - ☐ 3.1 Review the universal criteria of merit for organizational effectiveness.
  - ☐ 3.2 Add contextual criteria identified in the performance needs assessment.
  - ☐ 3.3 Determine the importance ratings for each criterion.
  - ☐ 3.4 Identify performance measures for each criterion.
  - ☐ 3.5 Identify performance standards for each criterion.
  - ☐ 3.6 Create performance matrices for each criterion.
4. Plan and implement the evaluation.
  - ☐ 4.1 Identify data sources.
  - ☐ 4.2 Identify data collection methods.
  - ☐ 4.3 Collect and analyze data.
5. Synthesize performance data with values.
  - ☐ 5.1 Create a performance profile for each criterion.
  - ☐ 5.2 Create a profile of organizational effectiveness.
  - ☐ 5.3 Identify organizational strengths and weaknesses.
6. Communicate and report evaluation activities.
  - ☐ 6.1 Distribute regular communications about the evaluation progress.
  - ☐ 6.2 Deliver a draft written report to client for review and comment.
  - ☐ 6.3 Edit report to include points of clarification or reaction statements.
  - ☐ 6.4 Present written and oral reports to client.
  - ☐ 6.5 Provide follow-on support as requested by client.



## Step 1: Establish the Boundaries of the Evaluation

Establishing the boundary of the EVALUATION explicitly defines what is and is not included in the evaluation. The complexity of an organization, its multiple constituencies and perspectives, and the open-system environment require that the effectiveness construct be bounded at the outset of the evaluation.<sup>1</sup> The checkpoints included in this step address specific issues that allow the scope of the assessment to be defined and appropriately circumscribed.

### 1.1 Identify the evaluation client, primary liaison, and power brokers.

The evaluation client is generally the person who officially requests and authorizes payment for the evaluation. It is also the person to whom the evaluator should report. However, in some cases, the client may consist of a committee or governance board. In such cases, it is important that a chairperson or group leader be identified to promote direct communication and accountability. The primary liaison is generally the primary source of information with respect to the evaluation's purpose and timeframe and is the designated interface between the evaluator and the organization. This individual is also the "go-to" person when issues arise related to data or personnel accessibility. In some organizations, an evaluation may be contracted to establish a case for or against power brokers in the environment. Because of this situation, it is important to identify the person or persons in a position of power to leverage or utilize the evaluative conclusions.

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Who is requesting the evaluation?

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Who is paying for or funding the evaluation?

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Who will benefit from positive findings?

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Who will benefit from negative findings?

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Who may be harmed from the findings?

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### 1.2 Clarify the organizational domain to be evaluated.

The organizational domain refers to specific attributes associated with the organization. The domain is typically circumscribed by the constituencies served, technology employed, and outputs (i.e., goods or services) produced.<sup>2</sup> The organization's primary activities, competencies, and external forces influence and shape the organizational domain. In other words, the organizational domain is defined by the operating environment with special focus on identifying customers or clients served (e.g., the target markets), products and services offered, and competitive advantages of the organization. In a loosely coupled organization (e.g., a holding company or university), there may be several domains in which the organization competes or specializes. The same condition can be found in multidivisional organizations, where the domain under investigation may be a strategic business unit or a stand-alone operating division within a business unit. Identifying the organizational domain to be evaluated is an important consideration to focus the evaluation, as well as to ensure the

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What are the organization's primary activities?

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What is the primary product or service offering?

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What market segments are most important to the organization?

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What competitive advantages does the organization have?

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evaluation is directed toward the proper domain to avoid misleading evaluative conclusions about the organization's effectiveness.

### 1.3 Clarify why the evaluation is being requested.

The purpose of an organizational effectiveness evaluation affects the type of data required, data sources, degree of EVALUATION ANXIETY present or that could develop, amount of cooperation or collaboration required of the ORGANIZATIONAL PARTICIPANTS, and overall assessment strategy, among other factors. A FORMATIVE EVALUATION to identify areas for improvement will be quite different from an evaluation to determine which division to close or agency to fund. Some reasons why an evaluation of organizational effectiveness may be requested are to identify areas for improvement in a particular business unit; to facilitate prioritization of strategic initiatives regarding organizational performance; to assist decision making regarding the allocation of resources; to improve the value the organization delivers to its PRIMARY BENEFICIARIES; and to strengthen an organization's competitive position in the marketplace.

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Why is the evaluation being requested?

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How will the results be used?

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How will negative findings be handled?

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What changes are anticipated as a result of the evaluation?

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### 1.4 Clarify the timeframe to be employed.

Judgments of effectiveness are always made with some timeframe in mind. It is important to clarify over which period effectiveness is to be evaluated. Long-term effectiveness may look much different when short-term effectiveness criteria (e.g., monthly profitability) are used.

It is most practical to consider a timeframe of one year to five years. Anything less than one year may not fully reflect the contribution of various strategies and initiatives that require some period of maturation to show effect. Periods longer than five years may become irrelevant due to the complex and generally turbulent environment in which most organizations operate. For example, when the organization competes in a high-tech environment with product lifecycles of six months from introduction to obsolescence, a timeframe of more than two years becomes immaterial to the assessment of the organization's ability to maximize returns and survive in the rapidly changing environment.

For most organizations, a three-year perspective is long enough to allow strategic initiatives to take effect and trends to be identified, yet short enough to maintain relevance to the operating environment. When conducting an ASCRPTIVE EVALUATION of organizational effectiveness, the timeframes noted above do not apply.

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What is your typical planning period (annual, bi-annual, etc.)?

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How quickly does technology change in the markets you serve?

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At which stage in the lifecycle is your offering?

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How frequently do customers purchase or use your products?

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## 1.5 Clarify the resources available for the evaluation.

The common resources required for all evaluations include money, people, and time. It is important to clarify the financial resources available to conduct the evaluation, who will be available as KEY INFORMANTS, who will facilitate the data collection, who will approve the evaluator's request for data, and the time available for the evaluation. When an EXTERNAL EVALUATOR conducts the evaluation, these items are generally clarified in the evaluation proposal or soon after its acceptance. However, it is also important for INTERNAL EVALUATORS to clarify the resource issue upfront to avoid running out of time or funding and ensure access to personnel and data. Moreover, it is important to identify which organizational resources are available for the evaluator's use, who will provide permission to collect data, and who will confirm the authorization for doing so.

When members of the organization play a role in data collection or substantively participate in other aspects of the evaluation, the evaluator may have to factor in a longer timeframe to complete some activities since these individuals (i.e., collaboration members) may be required to perform the new evaluation assignments in addition to their current duties. What's more, collaboration members may require special training to perform the tasks adequately. A systematic and thoughtful approach should be used for the identification of collaboration members, scheduling critical evaluation activities, clarifying the roles of the evaluator and collaboration members, and other aspects associated with performing a COLLABORATIVE EVALUATION.<sup>3</sup>

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How much money is available to perform the evaluation?

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Are contingency funds available?

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When is the final report due?

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Who will facilitate data collection?

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Who will approve requests for data?

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Is onsite data collection possible?

## 1.6 Identify the primary beneficiaries and organizational participants.

Organizations operate in dynamic and complex environments that require the consideration of contextual CRITERIA OF MERIT for the specific organization being evaluated. Based on this requirement, the dominant coalition or primary beneficiaries are engaged to facilitate the performance needs assessment (Step 2), identify contextual evaluative criteria, and determine importance weightings of the criteria of merit (Step 3).

The identification of the primary beneficiaries serves an important function with respect to contextual criteria of merit. Although there are a number of persons and groups that benefit directly and indirectly as a result of organizational activities, the primary beneficiaries are STAKEHOLDERS that are uniquely served by the outcomes of the organization's activities. In the case of most businesses, the organization was created to generate wealth for its owners. Hence, owners would be the primary beneficiary. For a nonprofit organization (i.e., churches, schools, hospitals), the primary beneficiaries are the intended recipients of

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Who are the intended primary beneficiaries of the organization?

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Who controls resources available to the organization?

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Who supplies inputs to the organization?

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Who are the customers or recipients of the organization's output?



the service. For commonwealth or government organizations, the public is the intended primary beneficiary.

In organizations where the primary beneficiaries are not in a position to be knowledgeable of organizational functions and constraints (e.g., students in an elementary school), the stakeholder focus shifts from primary beneficiaries to the DOMINANT COALITION. The dominant coalition, sometimes referred to as the power center, includes organizational participants (e.g., parents of elementary school students) that direct the organization in its concerted efforts to achieve specific objectives. In essence, this group's support or lack thereof impacts the survival of the organization.<sup>4</sup>

Beyond the primary beneficiaries and dominant coalition, a broader group of organizational participants should be identified to aid in identifying SIDE IMPACTS, both positive and negative, that affect unintended audiences. Organizational participants can be considered from two perspectives: (1) those persons who act on behalf of the organization and (2) those who are external to the organization acting on their own behalf and either affect members' actions or are affected by them. Those persons who act legally on behalf of the organization are referred to as organizational members and include employees, management, advisors, agents, and members of governance boards, among others. The organizational participants external to the organization—for example, shareholders, customers, vendors, and government agencies, among others—are referred to as organizational actors. The identification of organizational participants leads to the identification of those persons who are affected by organizational activities and have a stake in the organization's survival and maximization of returns.

### 1.7 Conduct an evaluability assessment.

The information collected to this point allows the evaluator to perform an EVALUABILITY ASSESSMENT prior to committing significant resources to an EVALUAND. Evaluability assessment is the determination of the appropriateness of conducting an evaluation. It is used to determine if the evaluand is "ready" to be evaluated based on the existence of goals, resources, data accessibility, and how the evaluation is intended to be used. It is useful in situations where goals of the organization are known, but the measures of the goals are not yet defined. Conventional evaluability assessment considers four questions: (1) What are the goals of the organization? (2) Are the goals plausible? (3) What measures are needed and which are available? (4) How will the evaluation be utilized?

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It is recommended to make a quick trial run through the OEC prior to committing to the project to ensure an evaluation is appropriate based on the questions to be answered and the data that will need to be obtained to make evaluative conclusions.

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Are the organization's goals specific, measurable, and realistic?

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What performance data is (or could be) made available?

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Are the available resources adequate for the purpose of the evaluation?

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Is the evaluation appropriate considering the developmental stage of the organization?

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## Step 2: Conduct a Performance Needs Assessment

The performance needs assessment provides background information about the organization and its operating environment. The systematic approach presented in this step results in the identification of PERFORMANCE-LEVEL NEEDS to provide the evaluator with insight to guide the evaluation, set priorities, and develop contextual criteria to supplement the universal criteria of merit. In contrast to wants or ideals, needs are things that are essential for organizations to exist and perform satisfactorily in a given context. As such, a performance-level need, sometimes referred to as a fundamental need, is something without which dysfunction occurs. This perspective goes beyond the discrepancy definition where needs are defined as the gap between the actual and the ideal, as it considers a greater distinction between different types of needs (e.g., met, unmet, conscious, and unconscious needs).<sup>6</sup>

The performance needs assessment explores and defines the current state of the organization from internal and external perspectives. It considers the organization's structure, strengths and weaknesses, opportunities available, and constraints that limit or threaten the organization's survival or its maximization of return. In addition to providing the required information for identification of performance-level needs, the benefits of conducting a needs assessment include building relationships among those who have a stake in the situation, clarifying problems or opportunities, providing baseline performance data, and setting priorities for decision making.

### 2.1 Clarify the purpose of the organization.

This checkpoint is used to identify contextual aspects that may be unique to the organization or require additional inquiry. The purpose of the organization is its *raison d'être*—its reason for existence. The purpose is usually, although not always, found in the organization's mission and vision statements. In cases where a written mission or vision statement does not exist, the organization's purpose can be identified by interviewing senior management and reviewing strategic plans or other organization-specific documents such as departmental plans and objectives, as well as the organization's website.

The mission of an organization is generally action-oriented and promotes the OFFICIAL GOALS of the organization. Official goals are also referred to as public goals and may not be the actual (operative) goals of the organization. Care should be taken to distinguish between official goals and OPERATIVE GOALS, the latter being more relevant when assessing organizational effectiveness.

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Why does the organization exist?

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What is the organization's vision and mission?

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Have operative goals been identified?

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Are the goals or purposes aligned within the organization?



The vision statement provides a sense of direction, is aspirational, and indicates where the organization wants to be in the future. It commonly includes the organization's purpose as well as its values. A vision statement expresses the end, while the mission expresses the means toward reaching the ends. In organizations where divisional-level or program-level goals do not align with those of the larger organization, serious attention should be given to clarifying the "true" purpose of the organization to avoid misleading evaluative conclusions about the organization's effectiveness.

## 2.2 Assess internal knowledge needs.

This checkpoint is intended to provide a "pulse check" to get an indication of the health of the organization in terms of knowledge management practices. The output of this checkpoint is documentation of (1) the existing knowledge management practices; (2) knowledge that is required, whether in existence or not, to maximize returns and support long-term sustainability of the organization; and (3) specific knowledge-management needs based on the discrepancy between the actual and required states. As a component of the performance needs assessment, this checkpoint provides another perspective on the organization's needs, with particular emphasis on knowledge management.

The first element of the knowledge needs assessment attempts to define the deliberate knowledge management efforts that are in place. Evidence for these efforts can be found in process flow diagrams, standard operating procedures, training programs, role-playing (i.e., rehearsal) activities, decision-making drills, and collaboration systems, among other sources. The second element considers what information is required to make decisions. This information may already exist as a part of the organization's current knowledge management practices or it may be desired to facilitate decision making activities. Asking questions such as, "What information would make your job easier?" or "How does the organization solve problems?" may reveal unmet knowledge needs within the organization. The third element considers the discrepancies between the current knowledge management practices and those required, but currently not available, to avoid dysfunction and enable the organization to maximize returns and sustain itself. Based on the findings of the knowledge needs assessment, contextual criteria of merit may be developed for inclusion in the evaluation.<sup>7</sup>

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What knowledge management practices are currently in place?

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What information is required to make decisions?

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What discrepancies exist between current knowledge management practices and those required?



### 2.3 Scan the external environment.

The open-system nature of the organization recognizes that external factors affect organizational performance. The purpose of this checkpoint is to identify those factors that constrain or enhance organizational effectiveness and to determine their implications. Environmental scanning is a systematic approach to detecting scientific, technical, economic, social, and political trends and events important to the organization. Porter's Five FORCES MODEL provides a general framework for performing the environmental scan in organizations.<sup>8</sup> The five forces include the intensity of competitive rivalry, threat of substitutes, buyer power, supplier power, and barriers to entry.

In addition to these, it is important to consider other environmental factors including sociocultural, political, legislative, and regulatory forces. Special attention should be given to the organization's primary competitors, as this group is purposely acting to displace the organization's position in the marketplace. Effective environmental scanning will enable the evaluator to anticipate changes emerging in the organization's external environment. The consequences of this activity include fostering an understanding of the effects of external change on the organization and aiding in identifying contextual factors influencing organizational performance.

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To what degree is the competitive rivalry intense?

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What external influences affect the organization? External influences may include social, technological, economic, or political-legal aspects, among others.

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To what extent is the power of buyers and suppliers strong?

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Describe the most likely scenarios that could develop during the next five years. How would the organization respond?

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### 2.4 Conduct a strength, weakness, opportunity, and threat (SWOT) analysis.

The SWOT analysis focuses on the organization's internal and external environments. The external environment considered in the SWOT analysis is focused on specific elements that are identified as known opportunities and threats rather than scanning for broad environmental trends (outlined in the previous checkpoint). The purpose of a SWOT analysis is to systematically identify areas where the organization excels (i.e., strengths), areas of weakness, opportunities to leverage, and threats to mitigate. It is important to recognize that strengths and weaknesses are strictly internal to the organization. In other words, they are under the control of the organization. Opportunities and threats, in contrast to strengths and weaknesses, are external factors beyond the organization's control. Some opportunities and threats may "fall out" of the environmental scan completed in the previous checkpoint. However, attention should be given to searching for specific opportunities and threats whose impacts on the organization are imminent.



Because this form of analysis is commonly used for strategic planning purposes in organizational settings, an existing SWOT analysis may be available to the evaluator. If this is the case, the current or past analyses should be carefully reviewed to acquire greater insight into the essence of the organization. An existing SWOT analysis does not relieve the evaluator of performing an updated analysis, but does facilitate the present analysis by providing additional perspective. The results of the SWOT analysis facilitate the identification of performance-level needs referred to in the next checkpoint.

## 2.5 Identify the performance-level needs of the organization.

Each of the preceding checkpoints provides the necessary information to identify the organization's performance-level needs. Performance-level needs are needs that, if not met, lead to dysfunction within the organization. Identifying performance-level needs reveals contextual evaluative criteria that can be added to the universal criteria of merit for evaluating organizational effectiveness. Examples of a performance-level need and a tactical-level need (i.e., an instrumental need that addresses the performance need) are shown below.

<i>Performance-level need:</i>	Strategic initiatives within the organization need to be aligned.
<i>Tactical-level need:</i>	Foster awareness and internalization of the organization's strategic objectives with each employee.



## Step 3: Define the Criteria for the Evaluation

The OEC includes two categories of criteria: universal criteria of merit that apply to all organizations and contextual criteria based on a performance needs assessment or other relevant values (e.g., operative goals). Criteria are necessary for credible evaluative conclusions to be made about an organization's effectiveness. Guidelines for a list of criteria of merit include:

1. The list should refer to criteria and not mere indicators.
2. The list should be complete (i.e., no significant omissions).
3. The list should be concise.
4. The criteria should be nonoverlapping.
5. The criteria should be commensurable.
6. The criteria should be clear.
7. The criteria should be confirmable.
8. The criteria should be limited to the organizational level of analysis.
9. The criteria should reflect the relation between the organization and its environment.
10. The criteria should allow for the uniqueness of the organization.
11. The criteria should include both the means and ends of organizational activity.
12. The criteria should be stable yet provide the necessary latitude for organizational change and variability over time.

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The first seven items in the list are from Scriven, M. (2005). *Logic of evaluation*. In S. Mathison (Ed.), *Encyclopedia of evaluation* (pp. 235-238). Thousand Oak, CA: Sage.

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The starting point for any list of criteria of merit is an understanding of the nature of the evaluand and the properties that make it good, valuable, or significant. In the case where the organization is the evaluand and the evaluation pertains to its effectiveness, the question to answer becomes, "What properties are included in the concept of organizational effectiveness?"

The OEC includes 12 universal criteria of merit for evaluating organizational effectiveness. The criteria are grouped into four dimensions to illustrate the connection with the definition of organizational effectiveness. The dimensions include (1) PURPOSEFUL, (2) ADAPTABLE, (3) SUSTAINABLE, and (4) HARM MINIMIZATION. The 12 universal criteria of merit used in the OEC are shown in Table 1 along with suggested measures for each criterion. The specific measures listed are not required to be used; rather, they are included to provide suggestions for measures to consider. Definitions of the criteria are included in the glossary at the end of this checklist.





Table 1: Universal criteria of merit and potential measures.

Dimension	Criterion	Potential Measures
Purposeful	Efficiency	Revenue per employee-hour Profit per employee-hour Profit per square foot Cost per client served Cost per unit of output Fixed asset utilization rate Revenue multiplier
		Unit volume per employee-hour Unit volume per machine-hour Gross output per employee-hour Gross output per machine-hour No. of clients served per employee-hour No. of billable hours per employee-hour Gross payroll power
	Stability	Planning and goal setting Extent of routinization No. of layoffs during the period Extent of job rotations Safeguarding assets Alignment of strategy, mission, vision Compliance with established procedures
Adaptable	Innovation	R&D expenses as a percentage of net revenue Training as a percentage of net revenue New product development rate No. of new markets entered during the period Willingness to innovate Operational process change frequency Administrative process change frequency
		Compounded annual growth rate (revenue) Profit or fund growth during the period Relative market share change New customer revenue growth New market revenue growth Change in manpower Net change in assets
	Growth	Feedback system utilization Performance management system utilization Task force utilization No. of new initiatives launched Percent of internally generated business ideas Percent of externally generated business ideas Change initiatives launched during the period



Table 1—Continued

Dimension	Criterion	Potential measures
Sustainable	Fiscal health	Return on net assets/equity /invested capital Net debt position Free cash flow Liquidity ratios Profitability ratios Expense ratios Fund equity balance
		Customer satisfaction / loyalty Customer retention rate External review / accreditation Internal quality measures Warranty claims Service errors Response time
	Information management	Role ambiguity Integrity of information Timeliness of information No. of staff meetings per month No. of company-wide meetings per year Perceived adequacy of information available Access to procedures, rules, and regulations
	Conflict-cohesion	Work group cohesion Employee turnover Absenteeism Workplace incivility Commitment Bases of power Violence of conflict
Harm minimization	Intra-organizational	Instances of ethical breach Results of ethics audits Evidence of workforce training Evidence of monitoring systems Components of organizational justice No. of employee accidents External / internal audits
	Extra-organizational	Regulatory compliance Ecological footprint change Environmental controls and monitoring Emissions levels (pollutants, noise) External audits Contribution to the larger system Philanthropic activities

See *Handbook of Organizational Measurement* (Price, 1986) for additional measures.



The universal criteria of merit capture both the means and ends of organizational activities, allow for the comparative study of organizations or subunits, and recognize the uniqueness of the organization being evaluated. When combined with the contextual criteria of merit, the list provides an adequate inventory of the characteristics and properties of an effective organization.<sup>9</sup>

In organizations where more than five participants will be involved in defining the criteria, measures, and performance standards, it is best to approach this step using a two-phase process. The first phase consists of using a small working group of two or three key informants to work through each of the checkpoints in Step 3. The evaluator and small working group complete the various checkpoints with the intent of developing a draft set of criteria, measures, and performance standards. This working group also identifies potential challenges or points of concern that may arise when the structured discussion is conducted with the larger group. The draft set of criteria, measures, and performance standards are provided to the primary beneficiaries or dominant coalition members in advance of the evaluator-facilitated workshop that occurs in the second phase of this step.

Phase two consists of two 90-minute workshops intended to engage the primary beneficiaries or dominant coalition in an open, yet structured, dialogue and exchange of ideas regarding organizational effectiveness and its dimensions. The checkpoints are used as the framework for the structured discussion and the draft set of criteria, measures, and importance weightings are adjusted as needed during this first review.

The highly compressed time allotment for this workshop is intended to focus the discussion on the specific issues related to criteria development and requires the small working group to be well prepared prior to this workshop. It also requires that the evaluator “sell” the importance of the criteria of merit checklist in advance, because the immediate value of this exercise may not be seen by all participants. This is particularly true if an internal evaluator is used rather than an external evaluator. The second 90-minute workshop is used to review the performance standards and create performance matrices outlined in the last two checkpoints of Step 3.

### 3.1 Review universal criteria of merit of organizational effectiveness.

The universal criteria of merit consist of the characteristics that define an effective organization. These characteristics are intended to be applicable to all organizations that are deliberately structured for a specific purpose. The universal criteria of merit are reviewed with the client to ensure each criterion and dimension is understood and to stimulate thinking about potential measures that may be used. Refer to Table 1 for the list of universal criteria of merit and potential measures for consideration.



### 3.2 Add contextual criteria identified in the performance needs assessment.

The information collected in the performance needs assessment may have revealed additional evaluative criteria that are unique to the organization. These criteria may result from the political, social, or cultural environment; developmental stage of the organization; current situational issues threatening the survival of the organization; or other matters that are unique to the organization at the particular time of inquiry. When considering contextual criteria of merit in multidivisional organizations, it is important to look *across* the organization in addition to *within* the particular unit or division to ensure optimization in one unit does not result in suboptimization in another.



### 3.3 Determine the importance weightings for each criterion.

The weighting of criteria by relative importance recognizes that some criteria are more important than other criteria. It also allows for a more complex inference.<sup>10</sup> Weighting is particularly important when the evaluative conclusions for each dimension must be synthesized into an overall evaluative conclusion regarding the organization's effectiveness. When using the OEC to conduct a formative evaluation that uses PROFILING to show how the organization is performing on the various effectiveness dimensions, weighting may be avoided; the client can use the multiple evaluative conclusions to identify and prioritize areas for improvement. However, when conducting a SUMMATIVE EVALUATION, it is usually necessary to go one step further than profiling and make an overall evaluative conclusion for the benefit of the client and the utility of the evaluation.

There are a number of different strategies for determining importance weightings, including voting by stakeholders or key informants, using expert judgment, and using evidence from a needs assessment, among others.<sup>11</sup> Two alternative methods for determining the relative important of criteria are offered here.

The first is a qualitative approach that consists of having the primary beneficiaries or dominant coalition agree on each criterion's importance using the categories of low, medium, high, and emergency. The emergency category is used to reflect the temporal importance or urgency of a criterion at a particular moment in time. It can be applied to criteria that may not be of high importance in the long term, but are of critical importance in the immediate term. For example, if an organization is suffering from cash flow or credit restrictions and only has the ability to pay its employees for 60 days, growth and fiscal health criteria may be categorized as "emergency." Unless these areas are addressed with urgency, the organization's professional development programs or launch



of a redesigned website become less relevant as the organization's survival is of immediate concern.

The second method is a quantitative approach using the analytic hierarchy process to derive a set of numeric weights from pair-wise comparisons.<sup>12</sup> Each member of the dominant coalition identifies which of two performance criteria he or she believes is more important and then records the magnitude of the selected criterion's importance over the criterion not selected. This process is repeated until every criterion has been compared to the others. To determine the weightings, an organization-level matrix is created from each participant's pair-wise comparisons, the comparisons are normalized, and the importance weighting is calculated. This procedure can be done using spreadsheet software with intermediate-level knowledge of how to use the software.

Note that it is important to have all primary beneficiaries or dominant coalition members agree on the importance weightings in front of each other, before any data are collected. This "public" affirmation reduces the likelihood that participants will change their opinion after seeing the performance data or evaluative conclusions.

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For a step-by-step example of using Excel with the analytic hierarchy process, see Searcy, D. L. (2004). Aligning the balanced scorecard and a firm's strategy using the analytic hierarchy process. *Management Accounting Quarterly*, 5(4), 1-10.

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### 3.4 Identify performance measures for each criterion.

The performance measures for each criterion are the factual data that will be collected and synthesized with the values (i.e., criteria) to produce the evaluative claims. It is best to use measures that can be observed and are stable and valid. Whenever possible, include several measures for each criterion, preferably from different sources.

Of equal importance, agreement should be reached on precise nature of the measures and data sources. For example, if revenues are a measure, is revenue recognized when the order is booked, invoiced, or money collected? Are revenues determined before or after the impact of sales incentive plans? Is the change in revenue determined year-over-year or quarter-over-quarter? In situations where performance cannot be observed or directly measured, the inclusion of multiple measures from different sources will increase the validity and credibility of the findings for the particular criterion and contribute differentially with unique information.

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It is recommended to focus on higher quality measures that are observable and credible rather than aiming for a high quantity of lower quality measures.

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### 3.5 Identify performance standards for each criterion.

Performance standards are the claims against which performance data are compared. In other words, standards are quality categories of increasing merit; in some organizations, they are referred to as **BENCHMARKS**. In most cases, organizations will have internal quality standards already in place that can be leveraged. However, it is appropriate to use industry or peer-group performance standards in addition to internal standards. In those cases where the peer group performs poorly, the use of best-demonstrated practices in any sector or industry as a referent is recommended. In the case of harm minimization, this dimension is an absolute measure and does not rely on comparisons to other organizations. In other words, one organization's illegal activities are not "less illegal" than another organization's illegal activities. Both have violated the law. A similar argument applies to ethical requirements.

For those criteria whose importance is identified as essential, a **BAR** should be established to indicate the minimum level of acceptable performance. Below the bar, the organization fails on that particular criterion. There are specific types of bars that can be used for this operation. A **SOFT BAR**, for example, indicates a minimum level of acceptable performance for a particular dimension or subdimension of the evaluand to qualify for entry into a high-rating category. A **GLOBAL BAR**, sometimes referred to as a holistic bar, would be applied to those criteria where performance below a minimum level means the organization is ineffective overall, regardless of exemplary performance on the other dimensions.<sup>13</sup> For instance, if a global bar has been established for specific ethical standards, an organization would be deemed ineffective if violations of ethical standards were discovered—no matter how well it performed on the other criteria of organizational effectiveness.

### 3.6 Create a performance matrix for each criterion.

A performance matrix is a tool for converting descriptive data into an evaluative description or judgment. It can be used for determining **ABSOLUTE MERIT** (i.e., grading) or **RELATIVE MERIT** (i.e., ranking). The most basic performance matrix includes a rating (e.g., excellent, fair, poor) and a description or definition of the rating. An example of a performance matrix to determine absolute merit for a specific criterion is shown in Table 2; a performance matrix to determine relative merit using a different criterion is shown in Table 3.



Table 2: Example Performance Matrix for Determining Absolute Merit.

Rating	Description
Excellent	The organization requires only limited and infrequent support from its parent company or external consultants. It is capable of meeting its financial and operational goals with internal human resources and knowledge.
Good	The organization is self-sufficient, but requires some input from its parent company on specific issues on an infrequent basis.
Acceptable	The organization is self-sufficient, but requires some input from its parent company on specific issues on a regular (monthly) basis.
Marginal	The organization is self-sufficient but requires some input and assistance from its parent company on a frequent (several times monthly) basis. Financial and operational goals are somewhat of a challenge to meet without support from the parent company.
Poor	The organization lacks ability to self-manage without serious support from its parent company or external consultants. Few, if any, organizational goals can be achieved without support from its parent company.

Table 3: Performance Matrix for Determining Relative Merit.

Rating	Net Profit Margin Percentile Rank
Best	> 95%
Better	75%-95%
Typical	50%-74%
Inferior	25%-49%
Worst	< 25%

Creating performance matrices for each criterion forces organizational participants to think seriously about how they define performance, quality, or value.<sup>14</sup> Engaging primary beneficiaries or the dominant coalition in this process can result in increased buy-in for the evaluation, generate deeper interest in the evaluation process and outcomes, and increase the transparency of the evaluation. The definition of performance characteristics for each criterion can be accomplished during the second evaluator-facilitated workshop session in which each participant or group of participants is assigned two or three criteria and works independently to develop performance matrices for them. Each participant or participant group then shares the proposed performance matrices with the entire group. Revisions are made, and a final version is accepted by the group. This cycle repeats until a performance matrix has been created for each of the criteria and subcriteria. It is advisable to fully develop all performance matrices prior to collecting any data to avoid the temptation to manipulate the evaluative descriptions and cut-offs to achieve positive ratings.



## Step 4: Plan and Implement the Evaluation

Items covered in this step focus on the evaluation plan and implementation. The primary determinants influencing the evaluation plan include evaluation team skills, organizational design and structure, available resources, and intended uses of the evaluation. The evaluation team (or individual) skills may narrow the evaluation design options, unless external resources are subcontracted. The organizational design, structure, and other contextual factors (e.g., culture and developmental stage) will also influence which type of data collection methods and sources are most appropriate. In some cases, participants will be willing and able to support data collection efforts. In most organizational evaluations, data sources are internal (e.g., organization members and archival records). The context will support certain data collection methods and inhibit others.

### 4.1 Identify data sources.

Considering the measures identified in Step 3, the sources of data can be identified. Although many of the measures call for archival data stored as documents or records, the use of observations, surveys, and interviews with various organizational participants will provide a fuller picture of the organization's performance and assist in uncovering SIDE EFFECTS or side impacts that may not be revealed from archival data. If the organization being evaluated is a subunit in a vertically integrated organization, information from upstream units (i.e., those that provide components or service to the unit being evaluated) and downstream units (i.e., those that receive components or service from the unit being evaluated) will support triangulation of the data.

### 4.2 Identify data collection methods.

The data collection methods are oftentimes directly influenced by a predetermined budget or a short timeframe for the evaluation. To address these influences, the data collection methods must be consistent with the purpose of the evaluation and needs of the organization, be flexible to take advantage of any data source that is feasible and cost-efficient, provide relevant information, and allow for comparisons from multiple data sources for purposes of triangulation. Every data collection method features some inherent form of measurement error, and using methods that have different types of bias guards against inaccurate conclusions. In addition, using multiple data collection methods and sources reduces the probability the results are due to artifacts of a given method, but represent a truer measure of organizational effectiveness.



### 4.3 Collect and analyze data.

Data collection activities should be nonintrusive and nondisruptive (to the greatest extent possible), cost-efficient, and feasible given the available resources. Although document and record review are likely to have the lowest impact on the organization, they should be managed to minimize frequency of requests and interruptions to the day-to-day activities of the organization's members. Awareness of the how the evaluator may affect the organization should be considered whenever activities require the evaluator to interface with the organizational members or actors. For example, when collecting data from highly skilled technologists or professionals whose billable services can be charged out at \$400 and up per hour, a 30-minute interview can carry quite a price—both in pecuniary terms and in opportunity costs. This illustration reinforces the point that sensitivity to the environment is important when developing the data collection methods and instruments.

Once the performance matrices have been defined and the data collected, data analysis begins. It is important to consider the client's and other stakeholders' understanding of and requirement for various types of data analysis. The primary consideration is that the results of the evaluation are clear, comprehensible, and credible to the client. For most organizational evaluations, qualitative and quantitative data will be collected. Regardless of the type of data collected, the analysis should be systematic and rigorous and will most likely include rich description of observed processes or interviews, as well as descriptive statistics that include measures of central tendency, variability, and relationships among variables.

## Step 5: Synthesize Performance Data with Values

Synthesis is the combining of factual data and values into an evaluative conclusion. It is the final step in the logic of evaluation and is a primary distinction between evaluation and research. The synthesis process is what allows the evaluator to move beyond simply describing "what's so" to answering the question, "So what?"

When the evaluation is used for formative rather than summative purposes, profiling the performance on the various dimensions of organizational effectiveness may be all that is required. The profile provides the client a graphical summary of performance and highlights areas to address to improve performance. For summative evaluations, synthesis of the various dimensions into an overall evaluative conclusion is required. In this case, the



use of a performance matrix (described in Step 3) to synthesize the dimensions into an overall performance score or rating is recommended.

### 5.1 Create a performance profile for each criterion.

A performance profile is a graphical illustration of how well the organization performs on each criterion according to the performance matrix. With the criteria listed on the vertical axis and the performance ratings shown on the horizontal axis, a performance bar extends outward to the appropriate rating. An example of a performance profile is shown in Figure 1. Note that the profiles for criteria are presented in a different color or shading from the dimension profile (shown as a solid bar). According to this profile, the organization is “good” on the workgroup cohesion and information management criteria, “acceptable” on the output quality criterion, and “marginal” on the fiscal health criterion.

The rating (e.g., excellent, good, acceptable, marginal, or poor) for each criterion is determined by converting the criterion’s performance measures into a score and then calculating the average score for the criterion. For example, assume the rating excellent = 4.0, good = 3.0, acceptable = 2.0, marginal = 1.0, and poor = 0.0. If the performance on the two measures for the criterion was found to be good (3.0) and marginal (1.0) on another, the average criterion score is 2.33. No weighting is involved in this procedure; however, bars would still be utilized where appropriate. This step is repeated for each criterion until scores have been created for all criteria. To arrive at the dimension profile, the importance weightings are applied to each criterion and the numerical weight-and-sum method is used to produce a dimension score.<sup>15</sup>

When conducting a summative evaluation, the final synthesis step applies the same procedure used to arrive at the dimension profile, except in this case the importance weightings of dimensions are used and the numerical weight-and-sum procedure is used to arrive a composite score and overall grade of organizational effectiveness.

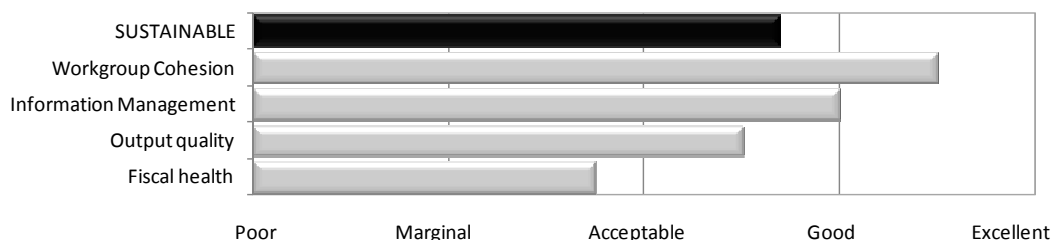


Figure 1: Profile of *Sustainable* Dimension





## 5.2 Create a profile of organizational effectiveness.

In both formative and summative evaluations, profiling offers an easy-to-use and easy-to-understand tool for the client. When possible, including performance bars for both the dimensions and the criteria condenses broad insight in to a concise view. An example of a profile of organizational effectiveness is shown in Figure 2. In this profile, the organization is good to excellent on the *purposeful* and *sustainable* dimensions, but requires attention on the *adaptable* dimension. Defining and implementing actions that improve performance on the *adaptable* dimension would increase the organization's overall effectiveness.

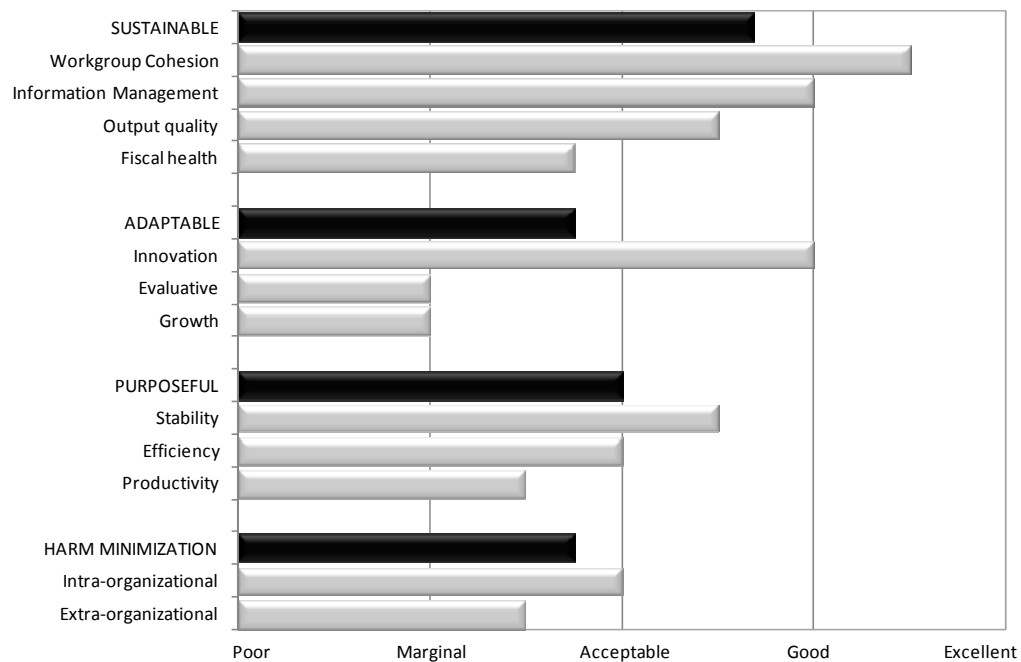


Figure 2: Organizational Effectiveness Profile



### 5.3 Identify organizational strengths and weaknesses.

Based on the organizational effectiveness profile, areas of strength and areas that require attention can be identified. This checkpoint is not intended to provide recommendations to the client. Rather, it is intended to highlight the organization's performance on the various dimensions. In some cases, it may be useful to order the list of strengths and weaknesses so that the strongest or weakest dimensions are listed first. This allows the client to quickly grasp the areas of success and those requiring the most serious attention. When communicating organizational deficiencies, it is recommended to avoid personalization of the findings. This is not to suggest that negative findings should not be presented. Instead, it is to suggest that sensitivity must be shown and due consideration given to the level of evaluation anxiety that may be present. For example, using the phrase, "this is what the data tell us," rather than "this is what we found" depersonalizes the findings and can facilitate constructive discussion.<sup>16</sup>



## Step 6: Communicate and Report Evaluation Activities

Communicating about the evaluation itself and reporting evaluation findings serve important roles within the organizational evaluation. During the evaluation, regular communications keep the client informed as to the status of the evaluation and can reduce negative reactions by the client and other organizational members. It can also provide reassurance that the costs (e.g., time, money, and other resources) being incurred are resulting in progress toward completing the evaluation. Reporting is generally thought of as the "end game" of the evaluation process. It is when evaluative conclusions are presented based on the synthesis of the factual data and values.

By and large, a long, written report will not be used in a business context. The client (or primary liaison) may read the entire report, but few others will. To ensure the findings are appropriately presented to others, the inclusion of a well written executive summary—one page preferred, two pages maximum—supported by a deck of slides using, for example, Microsoft's PowerPoint® software is recommended. The slides should be numbered so it is evident to reviewers who are only seeing two or three slides, that more are available. From a communication style perspective, always summarize first, and then explain. This is particularly important when communicating to executives. The executive summary should not be used as a "teaser"; rather it should give a summary of the evaluative conclusions and recommendations (if any). This is then followed by supporting evidence and explanations that led to the evaluative conclusions presented. The same approach should be followed in



the written report; summary statements begin each section, followed by supporting evidence.<sup>16</sup>

The highly charged nature of some evaluations, particularly those that involve summative decisions related to resource allocation or program continuance, require heightened awareness of the clients' reactions. In some situations, the client may make inappropriate inferences from evaluative conclusions and recommendations. It is worthwhile to call attention to what the evaluative conclusions and recommendations imply—and even more importantly, what they *do not* imply. For example, if the evaluand was a pilot advertising program for a new line of furniture, and the program was determined to be cost-ineffective, a valid implication is that alternative programs are worth consideration. It does not imply that the entire marketing team is incompetent or that the product line should be abandoned. Clearly stating what is implied and what is not implied facilitates a proper interpretation of the evaluative conclusions and may increase the utilization of the evaluation for the betterment of the organization.



#### 6.1 Distribute regular communications about the evaluation progress.

Communicating about evaluation activities on a regular basis serves two primary purposes: It keeps the need-to-know audience up-to-date on the evaluation's progress and can help generate buy-in.<sup>17</sup> The frequency and content of the communications should be based on the client's preferences; a single approach may not suit all organizational evaluations or all audiences within a particular organization.

In most cases, a one-page summary highlighting recent activities, status, upcoming activities, and potential obstacles can be issued biweekly to the client. The distribution may be via e-mail, uploaded to a secure Internet site for broader access, or both. Note that widely distributing information beyond the client and key stakeholders may be considered a political act and should be avoided. If an update is provided orally, it should be followed by a written summary for the benefit of both the client and evaluator.



#### 6.2 Deliver a draft written report to client for review and comment.

The draft written report is an important element in that it allows for clarifications, objections, and other comments to be received from the client prior to submitting a final report. By offering a draft for review, the evaluator is seeking evaluative feedback. This form of feedback performs two primary functions. First, it engages the client. This engagement encourages ownership of the report by the client and may increase the evaluation's credibility and use. Second, findings that are not clearly



communicated, are ambiguous, are erroneous, or need verification, may be discovered and corrected prior to the final written report. It is important to reflect carefully on the suggestions made by the reviewers. Care should be taken to ensure that any changes included in the final report based on reviewer feedback do not distort the findings.

#### 6.3 Edit the report to include points of clarification or reaction statements.

Based on the client's feedback to the draft report, the written report is edited as needed. In all cases, the opportunity for the client or a team member to include a reaction statement in the final report should be offered. Although the inclusion of a reaction statement is more commonly found in politically charged or high-stakes environments, it is important to be sensitive to this issue to encourage inclusion of the voices of those who may be less powerful or who have valid arguments related to the evaluation findings. Note that the evaluator's responsibility is not to solve political issues, but to ensure that viable points are raised.

#### 6.4 Present written and oral reports to client.

The final written report should be delivered to the client and a time scheduled to present the findings and evaluative conclusions. The focus of this checkpoint is on brevity and quality of content, rather than quantity. Moreover, the reporting format and delivery method should be chosen to maximize access to the findings (as appropriate), allow for client engagement, and be tailored to needs of various stakeholder groups. The use of quotes from interviews and tables, charts, and other visual tools help encourage audience interaction and support the verbal presentation. When communicating negative findings, it is important to stress the opportunity for organizational learning and improvement while minimizing "finger pointing" toward particular individuals or groups within the organization.

The inclusion of recommendations as part of the evaluation is generally expected in organizational settings. However, care should be taken to limit the recommendations to operational recommendations that "fall out" of the evaluation and can be implemented with little or no extra cost to the client. These types of recommendations focus on the internal workings of the evaluand and are intended to facilitate improvement efforts. On the other hand, recommendations concerning the disposition of the evaluand (e.g., redirect resources from one business unit to another) are, in nearly all cases, inappropriate due to the evaluator's limited knowledge of the decision space. In those situations where the evaluator does have the required expertise and knowledge to make macro-



recommendations, it should be made clear that a different type of evaluation is required—one that assesses alternative options for decision making.<sup>18</sup>

#### 6.5 Provide follow-on support as requested by client.

Follow-on activities may include answering questions that arise after the client has taken time to absorb the findings, which may be some weeks or months following the delivery of the evaluation report. The evaluator should be available to answer questions, both technical and general in nature, to facilitate utilization of the evaluation.

Including a half-day follow-on session in the evaluation proposal and budget will allow the evaluator to further his or her utility to the client while not detracting from work on other funded projects. In addition, this follow-on support may offer the opportunity to incorporate ongoing performance monitoring and evaluation as a regular activity within the organization for continuous improvement and increased organizational effectiveness. From a project management perspective, it is important to ensure there is a sign-off from the client that the evaluation is complete so that follow-on work is explicitly covered by a different contract, in the case of an external evaluator, or within a new project scope, in the case of an internal evaluator.

## Conclusion

The OEC outlines a process framework to evaluate the unique expressions of organizational effectiveness. The distinction of this model from other models for evaluating organizational effectiveness lies in its explicit reliance on the definitional premise of organizational effectiveness based on the input-output cycle inherent in all organizations. Rather than basing the conceptualization of organizational effectiveness on the differences among various organization types, the OEC builds on the similarities of organizations. The practical relevance of the OEC and its ease of use allow organizations to better understand which aspects of the organization need attention to ensure survival and viability of the organization.

Users and reviewers of the OEC are encouraged to send criticisms and suggestions to the author at [info@EvaluativeOrganization.com](mailto:info@EvaluativeOrganization.com). □

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## Glossary of Terms

*For a comprehensive review and expanded definitions of evaluation-specific terms, refer to the Evaluation Thesaurus (Scriven, 1991).*

**ABSOLUTE MERIT** The unconditional intrinsic value of something that is not relative to another claim. See also relative merit.

**ADAPTABLE** The ability of an organization to change its processes in response to or in anticipation of environmental changes.

**ASCRIPTIVE EVALUATION** An evaluation done retrospectively, generally for documentation or for interest, rather than to support any decision. See also formative evaluation and summative evaluation.

**BAR** A hurdle that sets the minimum standard or acceptable level of performance.

**BENCHMARK** A standard against which performance can be measured.

**COLLABORATIVE EVALUATION** A form of participatory evaluation that involves stakeholders taking on a specific element or multiple assignments related to the evaluation. In all cases of collaborative evaluation there is a significant degree of collaboration between the evaluator and organization participants.

**CONFLICT-COHESION** The cohesion of and by an organization in which members work well together, communicate fully and openly, and coordinate their work efforts. At the other end lies the organization's verbal and physical clashes, poor coordination, and ineffective dedication.

**CRITERIA OF MERIT** Aspects of the evaluand that define whether it is good or bad, valuable or not valuable. Also referred to as dimensions of merit.

**DOMINANT COALITION** A representation or cross-section of horizontal and vertical constituencies within an organization with different and possibly competing expectations. It is the group of persons with the greatest influence on the input-transformation-output process and the identification of means to achieve the agreed upon goal states. See also primary beneficiaries.

**EFFECTIVE** Producing or capable of producing an intended result. See also organizational effectiveness.

**EFFICIENCY** A ratio that reflects the comparison of some aspect of unit performance to the costs (time, money, space) incurred for that performance. It is often used to measure aspects of a process other than just physical output.

**EVALUABILITY ASSESSMENT** The determination of the appropriateness of conducting an evaluation. It is used to understand if the evaluand is "ready" to be evaluated based on the existence of goals, data accessibility, and how the evaluation is intended to be used.

**EVALUAND** The item being evaluated. In the case of the OEC, the organization is the evaluand.



**EVALUATION** The determination of the merit, worth, or significance of something (i.e., the evaluand).

**EVALUATION ANXIETY** An abnormal and overwhelming sense of apprehension and fear provoked by the imagined possibility, immanency, or in-process evaluation.

**EXTERNAL EVALUATOR** An individual performing an evaluation who is not employed by or affiliated with the organization or program being evaluated. See also internal evaluator.

**EXTRA-ORGANIZATIONAL** Those items that pertain to matters external to the organization.

**EVALUATIVE** The extent to which an organization actively seeks out opportunities for improvement and incorporates the findings via feedback into its planning and operation processes to adapt to the internal and external environment.

**FIVE FORCES MODEL** A framework for industry analysis and business strategy development. The five forces include competitive rivalry, bargaining power of suppliers, bargaining power of customers, threats of new entrants, and threats from substitute products.

**FISCAL HEALTH** The financial viability of an organization as represented by its financial statements (e.g., balance sheet, income statement, cash flow statement). In most cases, ratios are used to allow for comparison with relevant organizations (e.g., direct competitors or alternatives operating in the same environment).

**FORMATIVE EVALUATION** An evaluation done with the intent to improve the evaluand. See also ascriptive evaluation and summative evaluation.

**GLOBAL BAR** An overall passing requirement for an evaluand as a whole. Failure on a global bar results in the entire evaluand failing. Also referred to as a hard bar.

**GRADING** The assignment of evaluands, dimensions, or subdimensions into a set of named categories. Also referred to as rating.

**GROWTH** The ability of an organization to import more resources than it consumes in order to maintain itself.

**HARM MINIMIZATION** The extent to which an organization minimizes the negative outcomes created by its activities.

**INDICATOR** A factor, variable, or observation that is empirically connected to the criterion variable.

**INFORMATION MANAGEMENT** The completeness, efficiency, and accuracy in analysis and distribution of information. This includes cross-level collaboration, participative decision-making, accessibility to influence, and communications.

**INNOVATION** The degree to which changes (either temporary or permanent) in process, procedures, or products are intentionally implemented in response to environmental changes.

**INTERNAL EVALUATOR** An individual who performs evaluations for and within their organization of employment. See also external evaluator.



**INTRA-ORGANIZATIONAL** Those items that pertain to matters internal to the organization.

**KEY INFORMANT** An individual with specialized skills or knowledge who can provide information or access to information pertaining to a specific topic.

**OFFICIAL GOALS** Public goals that are stated as the primary objectives of the organization. Official goals may or may not be the actual goals that are used to direct individual behavior.

**OPERATIVE GOALS** Action-oriented objectives that are intended to direct individual behavior. This type of goal is considered the “real” goal that members of the organization are working toward achieving. It is this type of goal against which an organization’s performance may be assessed.

**ORGANIZATION** A planned social unit deliberately structured for the purpose of attaining specific goals.

**ORGANIZATIONAL ACTORS** Those persons who are external to an organization, act on their own behalf, and either affect organization member’s actions or are affected by them. Examples of organization actors include shareholders, customers, vendors, and government agencies among others. See also organizational members.

**ORGANIZATIONAL EFFECTIVENESS** The extent to which the organization provides sustainable value through the purposeful transformation of inputs and exchange of outputs, while minimizing harm from its actions.

**ORGANIZATIONAL MEMBERS** Those persons who act legally on behalf of the organization including, for example, employees, managers, agents, advisors, and members of governance boards. See also organizational actors.

**ORGANIZATIONAL PARTICIPANTS** Individuals or groups who have a stake in the organization’s activities and outcomes. Also referred to as stakeholders. See also organizational actors and organizational members.

**OUTPUT QUALITY** The quality of the primary service or product provided by the organization may take many operational forms, which are largely determined by the kind of product or service provided by the organization.

**PERFORMANCE-LEVEL NEED** Anything that is essential to maintain a satisfactory level of performance or state of existence. More specifically, performance needs include met and unmet needs, and conscious and unconscious needs. This perspective goes beyond the discrepancy definition where needs are defined as the gap between the actual and the ideal as it considers a greater distinction between different types of needs. See also tactical-level need.

**PRIMARY BENEFICIARIES** Those persons for which the organization was created to advantage. For businesses, this would be its owners. For nonprofit organizations (e.g., schools), this would be the program recipients (e.g., students). See also dominant coalition.

**PRODUCTIVITY** The ratio of physical output to input in an organization. Output consists of the goods or service that the organization provides, while the inputs include resources such as labor, equipment, land, facilities, etc. The more output produced relative to the input, the greater the productivity.



**PROFILING** A form of grading where performance is indicated for each dimension or component of the evaluand. Profiling does not require differential weightings, and is most useful in formative evaluations.

**PURPOSEFUL** Acting with intention or purpose.

**RANKING** The ordering of things from highest to lowest or best to worst.

**RELATIVE MERIT** The intrinsic value of something compared to one or more alternatives. See also absolute merit.

**SIDE EFFECT** An unintended effect of the evaluand on the target population.

**SIDE IMPACT** An unintended effect of the evaluand on the nontarget population.

**SOFT BAR** A minimum level of performance for a particular dimension or subdimension of the evaluand to qualify for entry into a high-rating category. Failure on a soft bar does not result in failing the entire evaluand. Rather it only limits the highest rating allowed.

**STABILITY** The maintenance of structure, function and resources through time and more particularly, through periods of stress. This criterion is at the opposite end of the continuum of the innovation criterion.

**STAKEHOLDER** An individual who has a relevant interest or stake in the organization. This includes persons both internal and external to an organization. See also organizational actors and organizational members.

**SUMMATIVE EVALUATION** An evaluation done with the intent to aid in decision-making or to report on the evaluand. See also ascriptive evaluation and formative evaluation.

**SUSTAINABLE** Able to be continued indefinitely.

**TACTICAL-LEVEL NEED** An action, intervention, or treatment that is intended to address a performance-level need. For example, the need to cost-effectively communicate with organizational constituents (performance need) may require email service or an Intranet web site (tactical needs). More than one tactical need may be identified to address a single performance need. In some settings this type of need is referred to as a treatment-level or instrumental need. See also performance-level need.



## Endnotes

- <sup>1</sup> Cameron, K. S., & Whetten, D. A. (1983). *Organizational effectiveness: A comparison of multiple models*. New York: Academic Press.
- <sup>2</sup> For additional information regarding organizational domain, refer to Meyer, M. W. (1975). Organizational domains. *American Sociological Review*, 40, 599-615.
- <sup>3</sup> A comprehensive model for collaborative evaluations can be found in Rodriguez-Campos, L. (2005). *Collaborative evaluations: A step-by-step model for the evaluator*. Tamarac, FL: Llumina Press.
- <sup>4</sup> Pennings, J. M., & Goodman, J. P. (1977). Toward a workable framework. In J. P. Goodman & J. M. Pennings (Eds.), *New perspectives on organizational effectiveness* (pp. 146-184). San Francisco: Jossey-Bass.
- <sup>5</sup> Scriven, M. (2007, p. 18). *Key evaluation checklist*. Available online from <http://www.wmich.edu/evalctr/checklists>
- <sup>6</sup> Scriven, M. (1990). Needs assessment. *Evaluation Practice*, 11(2),144. See also Davidson, E. J. (2005). *Evaluation methodology basics: The nuts and bolts of sound evaluation*. Thousand Oaks, CA: Sage.
- <sup>7</sup> Special thanks to Dr. Thomas Ward, II for his input on this checkpoint.
- <sup>8</sup> Porter, M. E. (1980). *Competitive strategy: Techniques for analyzing industries and competitors*. New York: The Free Press.
- <sup>9</sup> Martz, W. (2008). *Evaluating organizational effectiveness*. Unpublished doctoral dissertation, Western Michigan University, Kalamazoo.
- <sup>10</sup> Scriven, M. (1994). The final synthesis. *Evaluation Practice*, 15, 367-382.
- <sup>11</sup> Davidson, E. J. (2005). *Evaluation methodology basics: The nuts and bolts of sound evaluation*. Thousand Oaks, CA: Sage.
- <sup>12</sup> For a technical review of the analytic hierarchy process refer to Saaty, T. L. (1980). *The analytic hierarchy process*. New York: McGraw-Hill.
- <sup>13</sup> Scriven, M. (1991). *Evaluation thesaurus* (4th ed.). Thousand Oaks, CA: Sage. See also Davidson, E. J. (2005). *Evaluation methodology basics: The nuts and bolts of sound evaluation*. Thousand Oaks, CA: Sage.
- <sup>14</sup> Davidson, E. J. (2005). *Evaluation methodology basics: The nuts and bolts of sound evaluation*. Thousand Oaks, CA: Sage.
- <sup>15</sup> Additional details on numerical weight-and-sum and an alternative method, qualitative weight-and-sum are found in Scriven, M. (1991). *Evaluation thesaurus* (4th ed.). Thousand Oaks, CA: Sage.
- <sup>16</sup> Comments from Dr. Sharon May were of great help toward clarifying this point.
- <sup>17</sup> Torres, R. T. (2001). Communicating and reporting evaluating activities and findings. In D. Russ-Eft & H. Preskill, *Evaluation in organizations: A systematic approach to enhancing learning, performance, and change* (pp. 347-379). New York: Basic Books.
- <sup>18</sup> Scriven, M. (2007). *Key evaluation checklist*. Available online from <http://www.wmich.edu/evalctr/checklist>

