Evaluating organisational effectiveness

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Introduction
The measuring of gains in organisational effectiveness that result from training interventions is probably the most difficult task of all in training evaluation. Further, it can be a trap for the unwary trainer.

Accountants and senior line managers tend to want to measure results of most, if not all, organisational activities in monetary terms, so it is no surprise that they press for trainers to tell them what the “bottom line” gain is for a given amount of money invested in a training event.

On the one hand, if trainers were to accept this task too readily they might eventually find it very difficult to prove the connection between training input and organisational gains and, as a result, they may be forced into a defensive position, adopting a “power games” approach to evaluation.

On the other hand, if trainers are seen to be reluctant to accept the task they could face a loss of credibility in an environment where all other managers and departments are assessed on their outputs.

This dilemma, however, is not a valid reason for not addressing the issue. What needs to be done is to recognise (and to help others to recognise) the difficulties involved, and to adopt an approach that clearly identifies what can and what cannot be evaluated easily.

The difficulties
The first area of difficulty is that there are many other factors that can have an influence (positively or negatively) on organisational results. These factors could be internal or external to the organisation. Typical examples are:

- other organisational activities (e.g. marketing);
- market forces;
- competitive activity;
- new technology;
- legislation;
- the economy;
- industrial action;
- conflicting internal priorities;
- resistance to change.
So that in a situation where no improvement in sales results occurred following a sales training programme, it could quite easily be assumed that the training was ineffective, when in fact the real reason may have been that a strong competitor had introduced a more effective product.

Or, to take another example, actions of unco-operative line managers (with perhaps other priorities) may be blocking their employees’ use of their newly-gained competence, and thus giving the impression that the training is ineffective.

Another difficulty is that the results of training may take considerable time to show up in overall results. If this time span is, say, more than a year then the connection between training input and operational outcomes may not be realised.

Yet another problem could be, especially in the case of a very large organisation, the sheer size of the task.

Finally, as has been suggested above, it is quite often the case that accountants and line managers view training evaluation very differently from the way trainers view it. Trainers know the nature of training and how different its evaluation can be from other forms of evaluation. Accountants and managers may believe that training evaluation is no different from any other form of evaluation, i.e. that you simply compare outputs with inputs.

One way of lessening these difficulties is to adopt a twofold approach:
1. Involving line managers more in the process of training evaluation.
2. Not trying to evaluate the effectiveness of the organisation as a whole, but breaking the evaluation down into smaller, workable fields.

Involvement of line managers

It has long been accepted that training is not the sole responsibility of trainers – that effective training requires the active support and involvement of line managers. So it is logical that they should also be involved in training evaluation.

It is also accepted that the process of training evaluation begins at the point where a training need is identified.

It therefore follows that when trainers are consulting with line managers (particularly at organisational level) they should ask them:
- What do they want to improve?
- How will they recognise success?
- How will they measure this success?

When in due course a training intervention is identified that will bring about these improvements, then the indicators for success (as already identified by line managers) can be linked to the training input. These indicators can then become the bases of objectives both for the training and for the subsequent evaluation.

During this process it is essential that as many as possible of the factors other than training that will affect the outcomes are jointly identified and agreed. If it is possible to find a way of measuring the effects of these factors, this too should be agreed at this point.

It is very important that this line management involvement is strong and that it is continued. Wherever possible line managers’ own terms for success and for its measurement should be used – and it should be agreed how they (the managers) will be involved in the monitoring and evaluation process.

What should be aimed for is a joint evaluation report at the end of the process – not just a trainer’s report that could be viewed as one-sided.

Dividing the evaluation process

A useful framework for assessing organisational effectiveness (as proposed by Cameron (1980) and modified by Bramley (1986)) suggests four main categories:
1. Achieving goals.
2. Increasing resourcefulness.
3. Satisfying clients.
4. Improving internal processes.

Achieving goals

The most widely used measures of effectiveness, both within organisations and of organisations as a whole, focus on the extent to which targets or goals are met, e.g.:
- sales achieved;
- units produced;
In any well-run organisation, processes are already in place to monitor and measure such achievements. These are usually divided into sub-organisational processes, e.g.:

- individual performance appraisals;
- periodic reviews by section, department, etc.;
- periodic reviews by function.

It is therefore possible to identify and agree jointly those elements where a training intervention is likely to bring about an improvement, and also how its effectiveness can be assessed. Training evaluation measures can then be built into existing monitoring processes.

Line or functional managers responsible for these monitoring processes should already be aware of the other factors that will influence success (e.g. a sales manager will be aware of the effects of advertising, competitive activity, etc.), so that these can be noted and built into the evaluation equation.

**Increasing resourcefulness**

The emphasis here is focused on the success of activities designed to make the organisation more effective. Comparisons can be made with other similar organisations, with previous years' performances or with some previously determined ideal state. Criteria might include such things as:

- increased employee versatility/flexibility;
- increase of expertise;
- broadening of the market base;
- increased production capacity;
- improved production economy;
- increased ability to respond to change.

Many of these criteria are long-term and at the organisational level it may be difficult to isolate the contribution of training from other influencing factors.

However, planned assessment at a sub-organisational level may well be possible. For example, devolving certain decision-making responsibilities to department managers (together with the necessary training) may increase the effectiveness of those departments in ways that can be measured.

**Satisfying clients**

Emphasis in this area is focused on the extent to which the organisation meets the expectations of those external parties whose co-operation is essential to its own success. These can be customers, suppliers, governmental or other regulating bodies. Criteria could include:

- accuracy of customer orders;
- on-time deliveries;
- repeat business;
- customer complaints;
- prosecutions.

The time that it takes for the results of training to show up in these criteria may also be quite long. But many organisations monitor these criteria in some way or another and usually this monitoring is done at sub-organisational or functional levels. So it is possible to build-in a training evaluation component to existing processes.

**Improving internal processes**

Organisational effectiveness can also be defined in terms of the effectiveness of internal processes. In this area an effective organisation might be defined as one in which there is a low level of internal strain, where everything runs smoothly.

Evaluation can be on hard data such as labour turnover, but it is often based on subjective opinions of staff. Assessment criteria can be positive elements like:

- teamwork;
- job satisfaction;
- motivation;
- commitment;

or negative elements such as:

- absenteeism;
- grievances;
- industrial action;
- disciplinary actions.

Improvements in these areas resulting from training interventions may be difficult to assess but, again, most organisations monitor these things and with prior planning and joint agreement it could well be possible to build-in evaluation measures.
Summary

Evaluation of organisational effectiveness as a result of training interventions is more likely to be successful when:

- Evaluation is considered at the point when training needs are originally identified.
- Line managers are involved in the planning and monitoring process.
- Due consideration and recognition are given to factors other than training.
- Evaluation is focused at sub-organisational or functional levels.

References