

# Organizational Assessment: A Review of Experience

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## Introduction

Organizations are an important part of contemporary life (Drucker, 1990). For many, today's organizations take precedence over traditional family allegiances. How well organizations perform has a significant effect on our lives. With the emergence of an increasingly global economic context during the 1990s, organizations began to experience an unprecedented amount of pressure to perform (Lusthaus, Anderson, & Murphy, 1995). Maintaining a continued presence in the marketplace demanded a new level of performance. While in the past, organizations could function adequately by relying on process management methods and systems (Harrison, 1987), this was no longer viable in a highly interdependent, multi-stakeholder and competitive business environment. In order to ensure their survival, organizations started shifting towards a more results-oriented approach to management (Grindle & Hilderbrand, 1995).

Reliance on performance management systems is common in a variety of contexts today. During the 1990s, the need for organizations to have a clear understanding of what constitutes 'performance' became apparent. However, for organizations in the government and non-profit sector, definitions of results were not easily forthcoming; such organizations often have broad goals that are difficult to translate into concrete objectives (Fowler, 1997). It is clear that in an economy of reduced public spending, non-profit and public organizations will face increasing

pressure to find ways to define and improve their performance. But at this stage, few fertile models exist to support the process. In collaboration with the International Development Research Center (IDRC), Universalial has developed a framework that can help organizations understand their performance. The framework is based on extensive experience gained while conducting numerous organizational assessments around the world during the past two decades. Since the framework is generic, it can and has been applied in a wide range of organizations, both by external evaluators and by organizations themselves as part of a self-assessment process. The purpose of this paper is to describe the conceptual and methodological evolution of the framework and to explain its utility in five self-assessment cases in the non-profit sector. But before presenting the model, it is important to place it in the context of evolving trends in management and organizational assessment theories.

## Approaches to Organizational Assessment

Organizations are set up to serve a particular purpose (Etzioni, 1964) and that the role of management was to support this purpose by strategically gathering and applying resources in an efficient manner. However, experience showed that things are more complex than originally discussed. Organizations did not serve one single goal but had multiple goals and sub-goals (Quinn and Rohrbaugh, 1983), some of which supported the original 'organizing' purpose, while others did not.

Furthermore, in practice, an organization's goals were constantly and easily being displaced (Selznick, 1957). They were displaced in a variety of ways: time changed people's perceptions of the goals, leaders altered the goals, organizational events caused a shift in priorities, or even systems and structures inadvertently acted as a counterproductive force and inhibited the achievement of objectives. Given this complexity, how were organizations and their constituents to know if they were moving in the right direction? How were they to measure performance and the factors associated with good performance?

Caplow argued that "every organization has work to do in the real world and some way of measuring how well that work is done" (Caplow, 1976, 90). His conception of organizational performance was based on common sense and on the notion that organizations need a way of concretely identifying their purpose and assessing how well they are doing in relation to it. According to Caplow, each organization did have a sense of what it was doing and ways of measuring success - in other words, it had an institutional definition of its own purpose. Since it was clear to most people and managers that organizations that did not make money went out of business, private firms used the common sense concept of profit as a way to judge their performance. Thus, at the simplest level, measuring financial growth was a way of assessing how 'well' work was being done. Since profit is, indeed, a significant and valid aspect of good performance, many managers in the private sector used profitability as a complete metaphor for understanding organizational performance, and began to define their purpose above all in terms of monetary gain. In government and non-profit organizations, however, ideas about what constitutes good performance were not as clear. We all knew that schools help children learn and that power companies

supply electricity, but whether a root concept such as profit is an appropriate way to define good performance was uncertain.

The adoption of profitability as a primary objective in the private sector was congruent with prevailing ideologies shaping management practices at the time. Management theorists in the early part of the century tended to focus on devising scientific or engineering methods of increasing financial gain (Taylor, 1947). In support of such management objectives, organizational assessment focused on identifying ways to improve the efficiency of workers. By 'engineering' optimal ways for people to behave in specific organizational production systems, managers aimed to produce more goods for less money, thereby increasing profits.

Starting in the 1940s, more abstract and generic conceptions of performance began to emerge in the discourse on organizational performance (Likert, 1958). Gradually, concepts such as 'effectiveness,' 'efficiency' and 'employee morale' gained ground in the management literature and, by the 1960s, were considered to be major components of performance (Campbell, 1970). Managers understood an organization to be performing if it achieved its intended goals (effectiveness) and used relatively few resources in doing so (efficiency).<sup>1</sup> In this context, profit became just one of several indicators of performance. The implicit goal shaping most definitions of organizational performance was the ability to survive. From this perspective, an effective yet inefficient organization would not survive any better than an efficient organization that was not achieving its stated goals. Thus, prevailing organizational theories expected performing organizations to do both – meet their goals and do so within reasonable resource parameters (Campbell, 1970).

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<sup>1</sup> At the time, 'morale' was considered to be a component of broader efficiency indicators.

Gradually, it became clear that organizational assessment and diagnosis need to go beyond the scientific measurement of work and work methods. The presence and contribution of those doing the work - people - emerged as yet another important organizational component to be factored into the performance equation. The conceptualization of people as an organizational resource gained ground as well. As a result, approaches aimed at shedding light on the potential impact of human resources on organizational performance began to appear. For instance, Rensis Likert pioneered the use of survey methods as a means of diagnosing organizations. Likert's theory assumes that participatory management practices lead to higher organizational performance. In this context, surveys were used to capture data on employee perceptions of a variety of organizational management practices such as leadership, communication, decision-making, and so forth.

During the 50s and early 60s, the search for a significant variable that would lend diagnostic insight into the functioning of organizations led to the analysis of organizational structure as well. At the time, some believed that the most efficient organizational form was bureaucracy (Weber, 1947), and that consequently organizations needed to diagnose how bureaucratic they were. The assumption was that the more bureaucratic<sup>2</sup> the organization, the better performing and efficient it would be. Consequently, managers started describing government and private sector organizations in terms that operationalized Weber's criteria for bureaucracy - specialization, formalization and hierarchy - and emphasized bureaucratic components when diagnosing organizations (Blau & Scott, 1962; Pugh & Hickson, 1996).

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<sup>2</sup> At the time, the concept of bureaucracy as discussed by Weber was considered as the ideal organizational form.

Organizational assessments had, until then, focused primarily on work, people (and their processes), and organizational structure. However, by the mid 60s and into the 70s, organizations in the public, profit, and non-profit sector began to explore new ways of understanding their performance. As a result, a range of alternative means of gauging performance emerged (Steers, 1975). The assumption that only a limited number of standards of measurement (e.g., profits) exists was dismissed, as more multivariate approaches were taken. Attempts to identify and examine the factors associated with high levels of performance were made. Organizational assessment was gradually becoming more complex and holistic, attempting to integrate as many aspects of an organization as possible (Levinson, 1972).

In the process of looking for better ways of understanding and assessing organizations, business and systems analysts created a variety of concrete cost accounting tools and techniques for helping managers understand financial performance (e.g., planning program budgeting systems - PPBS - zero-based budgeting, etc.). Similarly, social scientists began to explore different human and interpersonal factors that potentially influence an organization's performance - factors such as problem-solving, teamwork, morale, communication, innovation, adaptation, and so forth. As a result of efforts to analyze successful organizations, a variety of core practices which appeared to enhance organizational performance emerged in the late 70s and early 80s. In turn, these gave rise to further approaches to diagnosing organizations (Kilmann & Kilmann, 1989). By beginning to explore organizational aspects other than effectiveness and efficiency, we recognized the importance of stakeholders in the performance equation - clients, staff, customers, suppliers and so forth (Peters & Waterman Jr., 1982; Walton, 1986). As we entered the 1990s, ways to describe organizational performance

and the factors associated with performance in the government, private and non-profit sectors were clearly more holistic and comprehensive (Gaebler & Osborne, 1993; Harrison, 1987; Meyer & Scott, 1992).

## Universalia's Experience

Universalia's interest in organizational assessment emerged in the early 1980s, in the context of non-profit organizations (or units) engaged in international development work. During this period, the Canadian International Development Agency (CIDA) asked Universalia to develop an evaluation process to assess the Non-Governmental Organizations<sup>3</sup> (NGOs) and Non-Governmental Institutions (NGIs) it had funding relationships with. Since CIDA was considering to expand its funding of a significant number of these organizations, it needed data on their ability to absorb and use the funds appropriately (Universalia Management Group, 1985).

The organizations Universalia was to assess were mostly non-profit organizations that exhibited a heightened urge to engage in international activities because of their special 'mission' to do good works. They defined success in terms of goals such as 'poverty reduction', 'rural development', 'human resource development' and so forth. These organizations believed in 'good works' and 'good works' were their primary activity. Overall, they did not see the need to invest in formal assessment of their organizational performance, and if evaluations did occur, they assessed the quality of their projects and program activities. Moreover, the prevailing attitude was that non-profit organizations operating in the development sector were doing better development work than profit-seeking organizations involved in international work.

Looking back, given the development sector context at the time, clearly our main interest throughout the 80s was to find ways to help such organizations do more of their good work. Since the collective focus was on expansion and the development of management systems to support it, we strove to help organizations improve their management systems and processes. In this context, we created an organizational assessment approach that could assess the quality of the management systems and processes used by the NGO/Is under review. As part of the review process, we assessed the effectiveness and efficiency of the organization's projects and programs – however, this was not the primary focus during this period. We generally assumed that the NGO/Is were effective and sought to improve their management systems so that they could absorb funds more efficiently. During the 80s, we conducted over fifty organizational assessments using the methodology we had developed (Universalia Management Group, 1985). However, as we moved to the end of the 80s and into the early 90s, changes in the political and economic climate changed the focus of our assessments.

The early 1990s were a period during which scarcity emerged at the forefront of management thought. Instead of pursuing expansion, organizations now faced the need to contract the volume or scope of their work. Both profit and non-profit organizations tried to adapt to a vastly changing context. In the private sector, the recession of the late 80s saw profits decrease dramatically, and downsizing became the favored survival strategy. Similarly, governments began to downsize and resources available to the non-profit sector decreased dramatically. In the context of this movement towards contraction, many recognized the need to develop better ways to understand, monitor, and communicate the performance of non-profit organizations. Government had to make

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<sup>3</sup> NGOs are one type of non-profit organization. In the context of this paper, this includes universities and research organizations

decisions about how to best utilize the dwindling funds that remained as they started answering the call for 'doing more for less'. In response to this changing context, Canada's provincial and federal governments began to discuss and develop 'results' oriented funding frameworks. Given such shifts in policy and public opinion, the need to better understand organizational performance emerged as a critical concern within the non-profit development community. It was in this context that Universalia and IDRC began to develop a way to understand and assess institutional and organizational performance.

## **An Organizational Assessment Framework**

### **Background to the Framework**

Effective managers are more than diagnosticians. They are leaders who see the link between knowledge, planning and change. Indeed, for some of the most effective leaders, organizational assessment is a means to address performance issues. However, the decision to undertake the challenge of diagnosis is only the first step; one needs to find the appropriate diagnostic model. Taking into consideration the wide range of organizations that exist today, the search for such a guide can become a challenge itself. Organizations may be profit-oriented or non-profit, public or private, local or international, centralized or decentralized, product or service-oriented. Can a single model be appropriate in all contexts? As daunting as these distinctions may be, organizations have even deeper dimensions of difference. Some are networked, others are vertically-integrated, or departmentalized, or profit-centered. Organizations that are virtual or electronic don't even have traditional headquarters. How does one deal with such a range of contexts in a common approach?

The need for organizations to be aware of their performance and to make an effort to improve is clear. However, 'self-knowledge' can bring further benefits to an organization than offering ammunition for defending its activities in the face of demands from stakeholders. Knowledge is also a tool of empowerment, one that can actually lead to an increase in performance. If someone else can do things faster, better, or cheaper, we can learn from what they have learned to do. Astute managers are always searching for better ways to understand how management processes affect performance. In some cases, assessments emerge from sources external to the organization. Various shareholders, while not formally part of the organization, give their feedback on performance in a wide assortment of ways. The public chooses (or not) to be a member and pay membership dues to an NGO. Similarly, the public chooses (or not) to purchase stock from a company. However, the limitation of such external data is that it is diagnostic rather than prescriptive. "So, we know they are more efficient than we are, but does that help us figure out how to do better?"

Universalia's experience in the field in the 1980s showed that it was possible to successfully apply assessment methods in order to identify the strengths and weaknesses of an organization's structure, processes and systems. While we did review the program performance of organizations we assessed, we did little in the way of trying to understand their organizational performance. The issue we faced was developing a method that would be holistic and link the organizations' strengths and weaknesses with an analysis of their organizational performance. Our initial work in the 80s was heavily influenced by the organizational diagnosis approaches which grew from within the private sector (Levinson, 1972). As we looked at more contemporary work (Harrison, 1987; Kilmann & Kilmann, 1989; Peters & Waterman Jr., 1982), we saw that although the approaches were holistic and

focused on many key performance variables, they did not provide a distinct definitive model of organizational performance. It seemed to us that more attention had to be paid to the conceptualization of 'organizational performance'. Our goal was to develop an approach, or framework which would encompass a definition, or model of performance, as well as an organizational assessment procedure. Taking this as a starting point and incorporating the lessons learned from our past experience, we worked with our colleagues at IDRC and created a comprehensive organizational assessment framework. In our view, the framework could be used to assess research centers specifically, and organizations involved in development work in general.

## The Framework

When we started our discussions with IDRC's evaluation unit in 1993, one of the important issues that we needed to clarify was the unit of analysis of our work. In the past, most assessment models focused on programs and projects. In this instance, we wanted the framework to focus on the organization. On the whole, the framework we were introducing reflected a change in focus from how well the organization did its programming work, to how well it was performing as an institution. As we reflected on our experience, developed our ideas, and reviewed the literature, we concluded that our framework needed to be based on an absorptive and holistic model. We recognized that there was a massive amount of literature and a wide assortment of ideas and concepts that made up the fields of management, organizational assessment and change. In this context, we felt that our framework needed to be broad enough to include many of the ideas from these fields.

Three insights guided the development and evolution of our model. First, we recognized the complexity of the concept of organizational performance. After conducting

over 30 reviews of NGO/Is and studying reviews done by others, we were struck by how difficult it was for organizations under review to describe their own understanding of organizational performance. Only a handful of the organizations we encountered could describe how well they were doing 'organizationally', and even fewer had ways of gathering data in order to test their performance assumptions. In the event that they were able to describe their performance, the descriptions encompassed a wide assortment of ideas and concepts. After spending a great deal of time with organizations and reviewing the literature, it was quite clear that our framework would require a multivariate exploration of organizational performance.

The second insight came as a result of the crisis NGO/Is faced in the late 80s and early 90s. In our previous work, we had included a review of the organizational context or environment. However, our review was mostly descriptive, geared primarily to provide background information. Again, as a result of our empirical work and analysis of the literature, we realized that in order to gain a better understanding of organizations under review, one needs to assess as well as describe the environment within which they operate. Clearly, friendly environments - the type experienced in the 80s, which fostered growth and development - were of a different nature than those we were experiencing in the 90s. The environment faced by organizations in the 1990s was becoming increasingly open and complex. In response to such changes in context, our organizational assessment framework would have to place more emphasis on assessing the environment than was customarily done before.

The third insight emerged as a result of our recognizing that although the staff in certain organizations operate under harsh conditions, with few resources and poor management systems, they get a lot of work done and

exhibit a relatively high level of organizational performance. We noticed that the staff and all those working with such organizations (clients, members, etc.) were remarkably motivated and displayed a high level of commitment. Despite poor systems and conditions, they clearly believed in what they were doing, used all their ingenuity to create positive results, and were able to grow, prosper and learn how to adapt to changing circumstances. It became evident to us that organizational motivation was a factor worth exploring when doing an assessment.

These insights, along with the experience gained during our previous work assessing the systems and capacity of organizations, helped shape our framework. In brief, Universalia's framework encompasses the following areas:

- measuring organizational performance
- understanding the organization's external environment
- determining organizational motivation
- examining organizational capacity

In the schematic representation of our framework shown below, performance is defined in terms of effectiveness (mission fulfillment), efficiency, and ongoing relevance (the extent to which the organization adapts to changing conditions in its environment). The framework implies that certain contextual forces drive performance: the capacities of an organization, forces in its external environment, and the internal motivation of the organization. A brief explanation of the framework follows (for a more complete explanation, see Lusthaus, Anderson and Murphy, 1995).



## Performance

As we looked at the literature and reflected on our own experience, it appeared to us that three ideas captured the performance of most of the organizations we worked with. First, most non-profit organizations view their performance in terms of the extent to which they can meet the requirements set down in their mission, purpose or goal statements. In organizational terminology, this would mean an organization is effective to the extent that it is able to meet its stated mission and goals. For example, one would typically consider a university effective to the extent that it provides teaching, engages in research and offers a service to the community. Nevertheless, universities like other organizations need to carry out their activities within some resource parameters. The concept of efficiency captures the idea that in order to perform well, organizations need to operate in an efficient manner (e.g., the cost per university graduate). As mentioned earlier, effectiveness and efficiency have been the standard concepts used for determining organizational performance. However, since the 70's, a wide assortment of other variables associated with organizational performance emerged. These concepts include morale, innovation, turnover, adaptability, change orientation, and so on. Furthermore, not only are there a wide assortment of ideas circulating, but it is also clear that different

stakeholders want different types of organizational performance. In reviewing these ideas, it appears that most relate to ensuring that the organization is able to survive over time. In our terminology, we call this on-going relevance to stakeholders. In our model, an organization is performing when it is able to balance its effectiveness, efficiency and relevance.

### **Organizational Capacity**

Organizational capacity is the ability of an organization to use its resources to perform. By making the organization the unit of analysis, we can assess all of the resources, systems and processes that organizations develop in order to support them in their work. An examination of the systems and management practices associated with human, financial and infrastructure resources helps provide insight into the use of organizational resources. Within our model, strategic leadership comprises the systems, structures and processes that set the direction for the organization. Program management looks at the ability of the organization to carry out its institutional role, while process management examines the way the organization manages its human and work related interactions. Finally, the ability of the organization to manage its external relationships is referred to as inter institutional linkages in our model.

### **Organizational Motivation**

As stated earlier, we were inspired by several organizations we had assessed which were able to perform despite having few resources and relatively undeveloped organizational capacities. Organizational motivation represents the underlying personality of the organization. It is what drives the members of the organization to perform. In our framework, we assess organizational motivation by analyzing a number of organizational dimensions. Organizational history is one of the dimensions we look at -

how and why the organization got started, what the milestones are, and so forth. In a similar way, the assessment model explores the mission, values and vision, attempting to understand what the driving forces working within the organization are. In our view, the culture operating within an organization, and the incentive systems it offers also contribute to organizational motivation. These combined factors give the organization its personality and affect the quality of work and its performance.

### **External Environment**

Finally, clearly organizations are open systems and that the external environment within which they operate is very important. Organizations need to get support from their environment if they are to survive and perform well. It is the environment that is the key factor in determining the level of available resources and/or the ease with which an organization can carry out its activities. Poor macro economic policies lead to high interest rates, fluctuating currencies and a host of conditions that make it difficult for some organizations to operate and perform well. Also, it is difficult to operate if there are poor infrastructure services. Things such as road systems, electricity, phone lines and so forth also influence an organization's performance. The characteristics and quality of the environment affect the performance of the organization. Thus, in assessing an organization, one must pay attention to environmental factors such as the economic conditions, political factors, socio-cultural conditions, environment, demographic conditions and technological contexts.

### **The Shift from Assessment to 'Self Assessment'**

As the Universalial/IDRC assessment framework and terminology continued to evolve, we became aware of another set of assumptions that needed questioning.



Although institutional assessment is a helpful tool for accountability, we were also interested in its potential use as part of an organizational change or capacity development process. However, our framework relied on assessment processes that had been developed in the context of an 'external expert model'; where an expert in institutional assessment would rely on a model to guide the assessment of the strengths and weaknesses of a targeted organization. Although the methods we used often demanded a high degree of participation, we were, nonetheless, still engaged in an external review process. While the use of this model was sensible when meeting accountability requirements, it was less useful as a way to build capacity and support change.

It is worth noting that our work relied on research literature rooted in theoretical models of organizations<sup>4</sup> (Blau & Scott, 1962; Peters & Waterman Jr., 1982; Pugh & Hickson, 1976; Scott, 1995). This research attempted to create, develop, objectify and articulate a general theory of organizations and change, and provide generalized prescriptions that work for all or most organizations. However, our field experience was running counter to the notion that a general theory of organizations and the inherent assumptions behind it were appropriate. Rather, we found the argument set forth by Drucker, that all organizations and organizational members create their own theory of the firm, more convincing (Drucker, 1995). From this perspective, change is a shared organizational experience in which organizational members must engage jointly, subsequently incorporating new ideas into their behavioral repertoire. Moreover, organizational behavior, change and performance are all constructed parts of organizational members' lives. In order to change organizations and their members, one

needs to work with the members and support them in the construction of their own new theory of their organization.

This change in approach was in tune with the evolving context in many areas involving the social sciences. As stated before, early theorists indicated that there was one best way to organize (Weber) and a best way to do work (Taylor). These social scientists hypothesized that specialization would lead to improved effectiveness and efficiency. Their hypothesis paved the way for the emergence of highly specialized social roles and the objectification of knowledge.<sup>5</sup> For example, now an investment counselor was more effective at managing your money than you could ever be. Likewise, a doctor knew what is best for you and your health. While in the context of organizations, auditors, evaluators and management consultants improved the functioning of your organization as long as you followed their instructions.

In many areas of activity, experts diagnosed and prescribed treatments. However, there was a large gulf between prescription and performance change. Improving performance in the context of money management, health, or organizational functioning does not mean simply leaving it to the experts. It demands the active engagement of those involved and affected. As a result of this growing realization, people began claiming their power of judgment back. Just as blind trust in a physician became a thing of the past, acceptance of the advice of outside experts as gospel was no longer the norm among organizational managers. By calling the performance of experts itself into question, we were in effect forcing experts to re-assess their positions.

It slowly became apparent that the problem was more than skin deep. The inherent flaw was the paradigm itself that followed the

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<sup>4</sup> Although we were aware of the work being done within the constructivist paradigm up to the early 1990's, we were influenced primarily by those working within a positivist organizational theory framework.

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<sup>5</sup> This was taken to the extreme in Russia and many of the countries in the former Soviet Union.

positivist scientific tradition. Valued knowledge relied entirely on objectively observable and verifiable data, processed to permit an orderly judgement. Proponents of the paradigm blamed any inadequacy in results on the fallibility of specific data, rather than on the fundamental nature of that data and the rationale for assuming that it would be of value. In fact, the limitations were due to the research model itself, rather than incidentals in the process.

First of all, the nature of data is such that it can never be truly objective. The very selection of variables is representative of the evaluator's values and approach to knowledge.

Furthermore, once selected, all variables are subject to measurement and reporting error. This is particularly true in cases where the evaluator holds power over those with a stake in the results. Covert organizational forces act to bias the data so that things appear better than they really are which is ultimately counter-productive if the purpose is to improve performance. Second, much of what accounts for organizational and individual performance is not readily measurable in the traditional way. The ambition and drive of a person are often of much more consequence in life than one's social standing or intelligence. An organization's will to survive and succeed is an analogous driving force.

Thus, for all of these reasons, organizational assessment rarely realized its potential. Our concurrent roles as university teachers further influenced our assessment approach. To a certain degree, we expected to engage in a teacher-learner type of relationship, as part of which we would collect and analyze specific, objective data, and then 'teach' managers about their organizations. Although this was an improvement over a compliance-based evaluation model, an artificial gap between outsiders and insiders remained. This gap became most evident during disclosure and discussion of the first draft of an evaluation report. Our traditional strategy was to allow

the CEO to absorb the draft report alone for a certain period of time before initiating any joint discussion. However, experience shows that since it was 'our' evaluation of 'them', regardless of the content of the report, the procedure was highly stressful for most CEOs. Ultimately, the bottom line was that although we had some success in influencing a given organization's performance, we did not reach the full potential inherent in the project; the loose and unpredictable coupling between our work and that of the CEO did not support it.

In response to growing criticism of the positivist scientific tradition, some social scientists (Foucault, 1982) articulated a post-positivist paradigm that accepts the critical importance of values and perspective in the search for knowledge. The new approach assumes that, invariably, a certain level of interdependence exists between the subject and the object. Therefore, one would expect a closer working partnership between the two and different approaches to fostering such collaborative learning links are emerging. In the context of organizational assessment, some post-positivist research models call for a joint participatory approach to learning about an organization. Participatory approaches combine the technical expertise of the evaluator with perspectives from inside the organization. Others take it a step further and hand the responsibility for gathering information over to the organization. Such self-assessment processes teach an organization's members how to collect and analyze data by themselves, and guides them in making their own diagnosis, drawing their own conclusions, and generating their own prescriptive solutions. The Universalia/IDRC framework is applicable in both cases. However, given the evolution in research methodology, it is the framework's applicability in the case of self-assessments that is of special importance.

## Putting Theory Into Practice

We have already tested the Universalialia/IDRC organizational assessment framework in a wide range of organizations. It has also had an impact on the international development scene through two IDRC publications<sup>6</sup>. From our perspective, each application yields new insights. Recently, we have worked with organizations that are struggling to understand their own performance and the factors that affect it, by using a self assessment approach. Specifically, five research centres undertook a self-assessment exercise that used the Universalialia/IDRC framework. The context within which they used the framework and the way our involvement began were not the same for all participating centres: a) three were introduced to the framework through a workshop and used it in the context of a self-evaluation process; b) one applied the framework within a strategic planning process it was engaged in; and c) the fifth used the framework as part of an external review process. Two things were common to all five of the centres: They all drove their own self assessment process, and used the Universalialia/ IDRC model as a support tool. However, before introducing the projects, it is important to briefly describe the full sequence of the process they undertook.

### The Self-Assessment Process

The self-assessment process each research center undertook included several phases: planning, identification of strategic issues, development of a workplan, data collection and analysis, and reporting. The objective of the exercise was threefold:

- to increase the strategic capacities of the research centres by allowing groups of managers inside the centres to identify the key issues and needs of the institutions;
- to generate data and findings that would serve as a basis for an external review; and
- to support an internal organizational change process.

In addition to this, the exercise provided IDRC with insights about this new approach to institutional strengthening, and offered a novel means of implementing their mandate of 'empowerment through learning'.

### Planning

During the planning phase, Universalialia provided all centres with background information and materials about the assessment process. In addition, Universalialia conducted a needs assessment visit to each centre in order to:

- ensure a common understanding of self-assessment;
- understand the contexts of the different centres; and
- begin to develop, with each center, the main strategic issues of their institution.

### Identifying the Issues

An initial diagnostic process helped participating organizations examine their main performance issues. Once the centres completed the diagnosis, they identified the causes related to performance issues, and conducted a review of their organization's external environment, motivation factors affecting performance, and capacity factors affecting performance. This process led to the identification of key strategic issues.

### Developing a Workplan

A team of managers and researchers at each centre developed a data collection workplan based on the key strategic issues they had identified. The workplan aimed to identify the

<sup>6</sup> Lusthaus, Anderson and Murphy (1995). Institutional Assessment: A Framework for Strengthening Organizational Capacity for IDRC's Research Partners

Lusthaus, Anderson and Adrien (1996). Évaluation Institutionnelle: Cadre pour le renforcement des organisations partenaires du CRDI.

best sources of data on each issue, the most appropriate data collection methodology, appropriate indicators of performance related to key questions, and a time-frame for collecting data.

### **Collecting and Analyzing Data**

Each centre opted for very different ways of collecting and analyzing data. Universalia team members provided support during the data collection and analysis process, offering feedback, assistance and clarification as necessary.

### **Reporting**

Participating centers agreed to write a self-assessment report at the end of the process. Universalia subsequently reviewed the reports.

### **Participating Organizations**

Five research centers participated in the IDRC self-assessment pilot project, three are located in Africa, one is based in Bangladesh, and one in the Philippines.

### **Implementation**

The self-assessment process was completed at four of the five participating research centers. One did not complete the self-assessment exercise. Although the organization developed a workplan, assembled a data collection team, and progressed to the stage of developing data collection instruments, the process was interrupted due to several contextual and organizational factors including a change of Executive Director.

Two successfully completed the full self-assessment exercise. Although the reporting process took longer than expected (approximately 18 months), both organizations completed a self-assessment report.

One completed the self-assessment exercise, despite a change in Director General in mid-

stream, and took the process one step further by integrating it within the organization's overall strategic planning process. The self-assessment exercise continued beyond the reporting stage and culminated in a Strategic Planning Workshop at which the results of the self-assessment exercise were presented.

In one organization the exercise began at the end of a five-year plan and when a new Director was assuming leadership of the center. The data from the self-assessment helped the director identify key issues, target areas for change and formulate a new strategic plan for the center. Furthermore, the self-assessment process is becoming an integral part of its continued management practices. The center is currently planning to undertake another self-assessment exercise, and is committed to ensuring that what is learned is used to inform the center's ongoing strategic planning and management processes.

### **Lessons Learned**

Several lessons can be drawn from the five self-assessment exercises reviewed in this paper. A range of issues pertaining to project planning and implementation emerged and deserve attention in future projects. Apart from logistical considerations and the need for adequate tools and planning, a need for early clarification of various elements in the process emerged. Among these are roles and responsibilities, terms of reference, bases of judgment, and anticipated uses and outcomes. The need for organizational support, leadership as well readiness, willingness and openness were also factors identified as needing attention. The specific lessons learned are outlined in the table below, Exhibit 1.

**Exhibit 1**

ISSUES
<p><b>The Need To Clarify Concepts and Roles</b></p> <p>It is important to point out that the self-assessments were a learning process for all those involved - the research centers, IDRC and Universalia. Perhaps this is why the time frame in which they took place emerged as longer than expected, in that there may have been a reluctance, or even inability, on the part of the organizations to progress more quickly.</p> <p>From this perspective, it may be necessary to define 'self-assessment' as a 'learning process' right at the beginning, and to negotiate the extent to which artificial demands have a place within it. For instance, although the logistics of project execution and the desire to save resources may require certain schedules, the imposition of an external time-frame may be inappropriate. As is often the case, practical considerations from a funding agency's point of view are not necessarily in sync with the actual process at hand on site.</p> <p>Furthermore, the role of the funding agency within a 'learning process' needs to be examined. The involvement of the funding agency in the self-assessment process can be perceived as either a threat to future financial security, or a source of support or partner in the process. However, for such a partnership role to take precedence, sufficient time for a trust building process must be accommodated within the time-frame chosen for the project. In some cases, the extent to which the funding agency should request to see an organization's self-assessment report should be called into question. If organizations do not fully understand that the self-assessment process is a learning exercise, they may be reluctant to share their reports for fear that they might be used to influence future funding decisions.</p> <p><b>The Importance of Organizational Readiness</b></p> <p>Before beginning the process of self-assessment, one needs to examine if the organization is ready for it. Cultural readiness is reflected by the degree to which an organization and its members are willing to disclose information, and to see disclosure as an opportunity for learning rather than as a threat. In some cases, participants were somewhat anxious about revealing personal information to a large audience. As a case in point, when given a choice between a one hour focus group that would bring all participants together, one organization opted for individual ten-minute meetings instead. A corollary to this notion is the degree to which an organization is ready to see information as useful for self-improvement and</p>

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<p>willing to act on it. Clearly, a strong desire to improve, even at the risk of disturbing the status-quo within the organization can be an invaluable catalyst for change.</p> <p>Thus, self-assessment requires a climate of trust, participatory management, and a desire to improve. Organizations in which the management leadership styles are most transparent and open appeared to benefit most from a self-assessment exercise.</p> <p>Based on the evidence from these cases, it is clear that in the organizations that had an open and positive attitude to the self-assessment process, the results yielded better insights about the current situation and apparent trends. The benefits to some organizations may have been reduced due to the lack of a participatory management style, and teams that were not kept informed about the process or invited to participate in brainstorming activities and decision taking.</p> <p>A third issue of readiness concerns the resources of an organization, both human and financial. Self-assessment requires strategic thinking skills, as well as capacities for data collection, strong analysis, and visioning. In addition to skills, an organization also needs the financial resources to support self-assessment - the will and the skills alone are not enough to support this time-consuming process.</p> <p>The willingness to change as the result of a self-assessment process is another sign of an organization's readiness. Until an organization and its members see the benefits of change and are motivated to change, it is unlikely that the process of self-assessment will have any lasting effect.</p> <p><b>The Need for a Champion</b></p> <p>Because motivation and commitment are key factors in the self-assessment process, it requires one or more individuals within the organization who are able to see the benefits of the process and to motivate others to become engaged. The project leaders in some cases played such a role, to the benefit of their organizations. In others, this was not the case and we were in fact confronted with an interesting paradox. Although the center's executive director became the champion of the self-assessment process, he saw this as a personal opportunity for himself and a select group of managers to take charge and 'tell the institutional story.' - their version of it that is. Given that the involvement and participation of a wide range of stakeholders is a critical part of the self-assessment process, this is not the type of champion that was needed.</p>

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<p><b>The Need to Clarify "Performance"</b></p> <p>Some of the organizations questioned our framework for organizational performance - effectiveness, efficiency, and relevance - as opposed to program performance. They considered these as distinctly North American notions and wondered if they were transferable to regions where organizational performance might be defined by other criteria. The organization expressed a concern that the performance values expressed by the funding agency differed from their own. Clearly we need to devote more time and effort to helping organizations understand and define their specific performance criteria.</p> <p><b>The Need for Practical Tools</b></p> <p>The centres we worked with understood the framework but experienced difficulty in implementing it – in transferring their understanding of the concept to the actual process of data collection. In particular, the organizations had difficulty in distinguishing the difference between the data collection and analysis methods demanded by a research project, and those required in the context of a self-evaluation process. In some centers, junior team members had previously been involved exclusively in research projects and undertook-in-depth data analyses which went beyond the scope needed for a self-evaluation.</p> <p>Furthermore, self-assessment teams need a series of practical step-by-step tools to help them structure their data collection plan, collect the information they need, and to analyze it. At the time the projects were being implemented, such tools were not available. However, IDRC and Universalialia now have a practical tool kit that can be used in further self-evaluations.</p> <p><b>The Need to Clarify Basis of Judgement</b></p> <p>As we attempted to help organizations assess their effectiveness, efficiency and relevance, it became harder to agree on a clear definition of these terms. All three centers need to develop both standards and benchmarks that would help them better understand when they are successful. If, for example, an organization meets 50% of its goals, is this 'effective'? If 70% of stakeholders say that the organization is meeting their needs, is the organization 'relevant'?</p> <p><b>The Need for Deadlines and Support to Meet Them</b></p> <p>In order for the self-assessment process to work, it appears that organizations need to be accountable to both their funders and their own leadership for completing the process. This may require specific</p>

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<p>deadlines as well as support to complete the process. In some cases, the self-assessment process fell significantly behind schedule. Aside from unwillingness to complete the process, perhaps the relatively small amount of pressure that was put on the organization to finish the self-assessment also played a part.</p> <p>The level and the nature of the support requested in the self-assessment process varied from one organization to another: some requested more support at the brainstorming stage - they wanted more information before making a decision. Others requested more technical and financial support, and tools and instruments to guide their planning process. While some made no requests for support. As facilitators, we needed to accommodate the individual processes and develop coaching methods that suited their needs.</p> <p>It is worth noting that while IDRC has field offices, the level of support they provide during a self-assessment venture may vary. Where it was minimal, the organization tended to request assistance from the central office in Ottawa. In the future, the process would benefit if IDRC's field offices were to play a more strategic role in the support of projects in course, the provision of tools when requested, and overall monitoring assistance.</p> <p><b>The Importance of Identifying the Audience</b></p> <p>Early in the process, it is important to clarify the purpose of the self-assessment exercise and to identify the future users and readers of the report. This can reduce the level of stress and ambiguity associated with the process. In the cases reviewed, the self-assessment reports will be used differently in each centre.</p> <p>In some cases, the report was viewed as a marketing and promotional document, and the organization was hesitant to address some of the strategic issues with all the required transparency. The self-assessment report was perceived as a 'business plan' that would support requests for future funding. A reluctance to include anything in the report that might harm a future relationship with funders was not uncommon. If the purpose and audience for the reports were clarified earlier, these organizations might have been less hesitant and the process could have been expedited.</p> <p><b>The need to differentiate the self-assessment from normal supervising activities of IDRC.</b></p> <p>Earlier, we identified the need to clarify roles and responsibilities. Clearly this will always be an area of contention in a funding relationship; nevertheless the distinction needs to be made. However, clarifying roles and having people "act" in</p>

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appropriate ways are often different things.

Within the self-assessment this issue emerged between a field office of IDRC and one of the organizations. In a normal “project” supervisory visit, staff from IDRC took a “critical stance” when reading a draft self-assessment document. It is important to clarify if such a stance is appropriate.

In discussion with IDRC and the institution it is important for all to realize that the “self-assessment” document is a tool for the institution. In the context of the self-assessment IDRC’s opinion or anyone else’s opinion is immaterial to the organization, unless requested. In this case, the “critical stance” was viewed as an intrusion into an internal self-assessment process that compromised IDRC’s credibility and the credibility of the project.

## Conclusion and Avenues for Further Development

Our experience with organizational self-assessment has prompted us to engage in further reflection on the concept. What are the salient characteristics of effective self-assessment in organizations? It is not simply a question of organizations participating in their own diagnosis. It relates fundamentally to an organization learning about itself and owning the learning process.

The key in this respect is the ability of an organization to develop credible information about itself and for the organizational leaders to engage in a process with staff about how to use the information for renewal.

Organizational self assessment is another tool in an organizations arsenal for improvement. How it uses, or in one case does not use, this tool tells a lot about the organization.

This experience demonstrated the adaptability of the self-assessment framework.. There is ample room for further exploration in this area, especially in terms of increasing the synergy between assessment and planning, and strengthening ‘organizational learning’.

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