

RESEARCH

Measuring effectiveness

Assessing organisational effectiveness is like wearing the emperor's new clothes – we know it's flawed but we keep doing it, writes *Greg Van Mourik*.

For starters, defining 'effectiveness' itself is an issue. Is it, for example, about achieving goals, using resources efficiently, or satisfying stakeholders? Different models shed light on different aspects of what it means to be effective at the organisational level. For example, an organisation with clearly defined, measurable goals is best assessed using the rational goal model, while an organisation with more ambiguous goals could be assessed by other methods.

Much of the controversy around organisational effectiveness research is due to the fact that a lot of the research assumes that organisational effectiveness is a

single variable. More recent approaches have seen an increasing use of multi-dimensional conceptions.

Another issue is whether organisational effectiveness is objective or socially constructed. If it is socially constructed, then it is determined by stakeholder judgements formed in an ongoing process of sense-making and implicit negotiation. This raises issues as to the comparability and reliability of effectiveness measures of different organisations and the degree to which repeated measurement gives similar values.

EMPIRICAL ISSUES

Determining suitable empirical criteria to measure a particular theoretical conception of effectiveness can be problematic. With goal achievement, for example, the best criteria may not be to measure the extent to which an organisation achieves its official goals, but the extent to which it achieves its defining goals.

It can also be argued that the combination of criterion is a value judgement, since there is no algorithm or higher order truth to which we can appeal. The result is that, as the research is repeated, differ-

News brief: Sugar supply

A new study has found that a raft of regulatory, structural, cultural, historical and logistical factors in the sugar mills of India's Punjab region makes imposing a supply chain management (SCM) model used by developed nations very problematic.

Along with substantial government intervention, other issues like human capital, location, personal contact networks and financial resources also add to SCM inefficiency. Findings were drawn from intensive personal interviews across two private and three cooperative mills. Those interviewed included the Manager/Director, Cane Development Officer, Accounts Officer (also handles sugar sales) and about 25 local farmers. Further information was garnered from statistical abstracts of Punjab and economic surveys of India.

Veena Goel of Punjab Agricultural University and **Suku Bhaskarkan** of Victoria University.

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DECISION-MAKING

Too much info!

The gap between the volume of information and the tools we have to assimilate it is known as 'information overload'. This phenomenon has five influencing factors: **1. Personal factor information (PFI)** such as individual attitude, qualification, experience, processing capacity and motivation level; **2. Information characteristics (IC)** such as information quality, quantity and frequency; **3. Task and processes (TP)** which represents standardised procedures; **4. Organisational design (OD)** which includes countermeasures such as co-ordination, processing capacity and creation of lateral relationships; **5. Information technology (IT)** application which includes countermeasures such as intelligent information management, preferring push