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# Approaches to the Evaluation of Organizational Effectiveness<sup>1</sup>

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*Seven alternative strategies are presented for assessing organizational effectiveness in different situations: rational goal, systems resource, managerial process, organizational development, bargaining, structural functional, and functional. Each has advantages in the evaluation of specific organizational problems.*

Selection of the appropriate basis for assessing organizational effectiveness presents a challenging problem for managers and researchers. There are no generally accepted conceptualizations prescribing the best criteria. The literature abounds with criteria ranging from productivity and efficiency considerations to behavioral factors such as morale, organizational flexibility, and job satisfaction (26, 27, 34, 44, 45, 52). Criteria are selected on the basis of an author's particular interest or specialty (52).

This article first reviews the underlying con-

ceptual frameworks of the range of criteria associated with the concept of organizational effectiveness. It then discusses the appropriateness of each framework for particular organizational situations.

## Approaches to Organizational Effectiveness

Different organizational situations — pertaining to the performance of the organization's structure, the performance of the organization's human resources, and the impact of the organization's activities — require different criteria. Examples are listed in Table 1.

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*Received 10/10/75; Revised 1/15/76; Revised 4/30/76;  
Accepted 7/23/76; Revised 9/23/76.*

<sup>1</sup> I should like to thank three anonymous reviewers of the *Review* for their helpful comments on earlier drafts of this paper.

**TABLE 1. Criteria Appropriate to Specific Applications of Evaluation Approaches**

ORGANIZATIONAL EFFECTIVENESS APPROACH						
Evaluating the Performance of the Organizational Structure		Evaluating the Performance of the Organization's Human Resources		Evaluating the Impact of Organizational Functions or Activities		
Rational Goal	Systems Resource	Managerial Process	Organizational Level	Bargaining	Structural Functional	Functional
<p><i>Accomplishments Goals of the Esso Standard Oil Company for Preparing Employees for Retirement.</i></p> <p>1. Increasing industrial efficiency, prestige, worker satisfaction, reducing costs, increasing public good will</p> <p>2. Aiding the nation and community to solve problems of the aged</p> <p>3. Helping the worker be well-adjusted in retirement.</p> <p>(3)</p>	<p><i>Efficiency and Satisfaction Criteria for the Systems Need of Adapting to a Changing and Turbulent Environment</i></p> <p>1. Adaptability — the ability to solve problems and to react with flexibility to changing internal and external circumstances.</p> <p>2. Identity — knowledge and insight on the part of the organization of what it is and what it is to do. This involves (a) determining to what extent the organizational goals are understood and accepted by the personnel and (b) ascertaining to what extent the organization is perceived vertically by the personnel</p> <p>3. Capacity to test reality - the ability to search out, accurately perceive, and correctly interpret the real properties of the environment</p> <p>(4)</p>	<p><i>Productivity and Capability Criteria (Managerial Principles):</i></p> <p>1. Planning — shaping the future direction of the organization</p> <p>2. Organizing — recognition of the organization's personal needs, obtaining people to meet these needs, and attempting to place people so that individual and organizational needs are in harmony.</p> <p>3. Staffing — recognition of the organization's personnel needs, obtaining the people to meet these needs, and attempting to place people so that individual and organizational needs are in harmony.</p> <p>4. Leading — motivation of people to reach goals without deterioration of morale both of themselves and the organization</p> <p>5. Controlling — activity that checks actual progress against planned progress and suggests ways of modifying activities falling below expected levels of performance (17)</p> <p>The principles are John G. Hutchison's suggested redefinition of Henri Fayol's ideas using more modern terminology</p>	<p><i>Interpersonal Competence and Job Satisfaction Criteria:</i></p> <p>1. Improvement in interpersonal competence</p> <p>2. Development of the norm that human factors and feelings are legitimate.</p> <p>3. Increased understanding between and within working groups in order to reduce tensions.</p> <p>4. Development of more effective team management.</p> <p>5. Development of more rational and "open" methods of conflict resolution rather than suppression, compromise and unprincipled power</p> <p>6. Development of organic rather than mechanical systems.</p> <p>(5)</p>	<p><i>Resource Utilization Criteria (Dimensions of Exchange)</i></p> <p>1. The parties to the exchange — their affiliation, function, prestige, size, personal characteristics, and numbers and types of clients served</p> <p>2. The kinds of quantities exchanged — the actual elements exchanged (consumer, labor services and resources other than labor services), and information on the availability of these organizational elements and on rights and obligations regarding them.</p> <p>3. The agreement underlying the exchange — terms explicitly defined by one party or mutually defined by a number of parties</p> <p>4. The direction of the exchange — the direction of the flow of organizational elements (unilateral, reciprocal, or joint)</p> <p>(19)</p>	<p><i>Structural Viability — Performance (Functional) Elements.</i></p> <p>1. Satisfying the interests of members and clientele groups</p> <p>2. Producing a quantity, quality and mixture of outputs</p> <p>3. Investing in the system through hard goods, people, subsystems, and external relations.</p> <p>4. Using inputs efficiently to achieve potential and profitability</p> <p>5. Acquiring resources such as money, people, goods</p> <p>6. Observing codes of laws and organizational rules.</p> <p>7. Using relevant technical knowledge and administrative methods to behave rationally.</p> <p><i>Structural Elements:</i></p> <p>1. Number and character of people.</p> <p>2. Physical and monetary assets of nonhuman resources.</p> <p>3. Type, location, form and differentiation of subsystem</p> <p>4. Conflict, conflict resolution, superior/subordinate relations, bargaining procedures, formal and informal communications defining the organization's internal relations.</p> <p>5. External organizations, agencies, roles, and environment characterizing the organization's external relations.</p> <p>6. Values describing the organization's orientation, i e., competitive, active</p> <p>7. The internal structure support base defining the guidance system</p> <p>(16)</p> <p>(These criteria, although defined in Bertram Gross' social systems model, are appropriate within Philip Selznick's definition of structural-functionalism.)</p>	<p><i>Functional Criteria —</i></p> <p>1. Goal attainment — planning, programming, scheduling, rule making.</p> <p>2. Adaptation — procurement, property management, office services, budgeting, personnel</p> <p>3. Integration — work flow procedures, internal rule making process, informal organizational status system, wage determination system.</p> <p>4. Pattern maintenance — consideration given to agency's legal mandate, clientele needs, public interest, professional and mission oriented values of the organization, employee satisfaction and morale, social norms of informal groups within the organization.</p> <p>(12)</p>

CRITERIA

Organizational effectiveness encompasses a range of evaluation possibilities. Specific evaluation situations require appropriate criteria such as: accomplishments and achievements, efficiency and stress, interpersonal competence and job satisfaction, productivity and capability, resource utilization, structural viability, and functionality. Each type, as suited to given evaluation approaches, is described in the following paragraphs.

### The Rational Goal Model

The rational goal approach focuses on the organization's ability to achieve its goals. Evaluation criteria are derived from a definition of goals the organization is expected to achieve (9, 10, 15, 40, 41, 42, 49, 50, 51). These criteria are determined by various factors (44, 50). One common practice is to use the formal statements of goals found in charters, manuals, and other documents. Informal but operative goals constitute other useful criteria. Still others may be derived from conceptualizations of societal missions or functions of the organization.

The basis of the rational goal approach is the Weberian concept of functional rationality (53). According to Weber, modern organizations are characterized by networks of roles; divisions of labor; and hierarchies defining the relationship of each activity, project, program, and function to the overall goals of the organization. In this scheme, an organization is rational if the above elements are organized for the achievement of its goals. When a series of actions is effectively organized to achieve a goal, every element has a defined role or function that is related (35).

An organization's goals are identified by establishing the general goal, discovering means or objectives for its accomplishment, and defining a set of activities for each objective. The organization is evaluated by comparing the activities accomplished with those planned for. The process is valuable in defining the organization's accomplishments or achievements relative to specific activities, objectives and goals.

### The Systems Resource Model

The systems resource model defines the organization as a network of interrelated subsystems. The outputs of one subsystem may become the inputs of another subsystem; the organizational system functions effectively to the degree that its subsystems are in harmony and are coordinated to work together (9, 14, 15, 46, 54). The central question in the use of this model is: Under given conditions, how close does the organization's allocation of resources approach an optimal distribution among the various subsystems? Optimality is the key word: what counts is a balanced distribution of resources among the various subsystems' needs, not maximal satisfaction of these needs. The value of resources to the decision-maker is derived from their utility as (more or less) generalized means for subsystems needs rather than from their attachment to some organizational goal (15, 54).

The organization, according to proponents of this approach, strives to survive and satisfy the needs of its components. In this context, needs refer to the requirements subsystems must meet in order to survive. These subsystems' needs may be classified as:

1. Bargaining position — ability of the organization to exploit its environment in acquisition of scarce and valued resources (54);
2. Ability of the system's decision-makers to perceive, and correctly interpret, the real properties of the external environment;
3. Ability of the system to produce a certain specified output;
4. Maintenance of internal day-to-day activities;
5. Ability of the organization to co-ordinate relationships among the various subsystems;
6. Ability of the organization to respond to feedback regarding its effectiveness in the environment;

7. Ability of the organization to evaluate the effect of its decisions;
8. Ability of the organization's system to accomplish its goals.

The effectiveness of the organization in satisfying these systems' needs hinges on a combination of two measures:

1. *Efficiency*: an indication of the organization's ability to use its resources in responding to the most important subsystems' needs; and
2. *Stress*: the tension produced by the system in fulfilling or not fulfilling its needs (20).

Thus, each of the subsystem's needs should be evaluated from two focal points — efficiency and stress.

### **The Managerial Process Model**

The managerial process model evaluates an organization's effectiveness by its ability to perform effectively certain managerial functions — decision-making, planning, budgeting, and the like. The model assumes that goals are set and met as a result of the effectiveness of the various management processes (8, 11, 43). The evaluation of the organization is determined by the capability of its processes to realize envisioned goals. Changes in management processes affect and are affected by planned changes in organizational goals. It is important to specify the processes related to achieving these goals and to adapt them to any planned changes. Thus, the model provides a measure of the capability or productivity of the managerial processes for attaining goals. Productivity becomes a yardstick of the organization's accomplishments within specified managerial processes.

The managerial process model is based on the intuitive concept of substantial rationality, which interrelates the drives, impulses, wishes, feelings, needs, and values of the individuals to the functional goals of the organization (28). An

organization can be considered rational when its various processes and patterns enhance the individual's productivity and capability to respond to the goals of the organization.

### **The Organizational Development Model**

The organizational development (OD) model sees effectiveness in terms of the organization's problem-solving and renewal capabilities (1, 23, 24, 25). The model focuses on developing management practices to foster:

1. Supervisory behavior manifesting interest and concern for workers;
2. Team spirit, group loyalty, and teamwork among workers and between workers and management;
3. Confidence, trust and communication between workers and management;
4. More freedom to set their own objectives (23).

Using knowledge and techniques from the behavioral sciences, this model attempts to integrate organizational goals with individual needs for growth. The purpose is to design a more effective and functioning organization in which the potential of each member is fully realized. In short, it fosters a "development" approach.

The model's procedures attempt to answer four main questions about the organization's capacity to understand and manage its own growth:

1. Where are we?
2. Where do we want to go?
3. How will we get there?
4. How will we know when we do get there?

These questions can be divided into four areas. Question one is concerned with diagnosis, question two with the setting of goals and plans, question three with the implementation of goals, and question four with evaluation.

This model is concerned with changing be-

liefs, attitudes, values, and organizational structures so that individuals can better adapt to new technologies and challenges. While the ultimate goal is to make the organization more effective, this cannot be accomplished until the constraints that operate within it are resolved.

The OD model assumes that:

Pressure-oriented, threatening, punitive management yields lower productivity, higher costs, increased absenteeism, and less employee satisfaction than supportive, employee-centered management which uses group methods of supervision coupled with high performance expectations (23, p. 45).

Basic foundations underlying this approach are:

1. The negative attitudes toward work held by most members of organizations, and their resultant work habits, are usually reactions to their work environment and how they are treated by the organization, rather than intrinsic personality characteristics;
2. Work which is organized to meet people's needs as well as organizational requirements tends to result in the highest productivity.

The essential task of management is to arrange conditions and operations so that people can adjust their own goals accordingly. This means creating opportunities, releasing potential, removing obstacles, encouraging growth, and providing guidance. It is a process of management by objectives in contrast to management by control (25).

### The Bargaining Model

The bargaining model conceives of an organization in terms of exchanges and transactions of individuals and groups pursuing a diversity of goals (2, 13, 22, 31, 54). The capacity to make decisions is firmly rooted in exchanges between the organization's components. Decisions, problems and goals are more useful when shared

by a greater number of people. Larger programs require sharing because no one organization can command the resources to carry them out. Organizational accomplishments are the outcome of a complex process of accommodation and adjustment between elements. This does not mean that all the exchanges made throughout the organization must be analyzed to arrive at a decision. Only exchanges important to the particular problem being studied need to be considered.

The bargaining model presumes that an organization is a cooperative, sometimes competitive, resource distributing system. Each individual and group, having a defined value of resources (time, money, human resources), is in a specific systematic relationship for the accomplishment of definite goals. In contributing and exchanging resources, groups can achieve objectives important to them (30). An organization is effective only if its goals elicit sufficient contributions from participants (2). The goals most likely to be accomplished are those in which numerous groups share a common interest.

The bargaining model's emphasis is on how various decision-makers, with different resources and capabilities, utilize their resources. Each decision-maker bargains with other groups for scarce resources which are vital in solving problems and meeting goals. Organizations resemble games such as chess, poker, and bridge, in that each decision-maker is required to choose one strategy or combination of strategies to achieve an objective. The overall outcome is a function of the particular strategies selected by various decision-makers in their bargaining relationships.

The procedure for measurement involves identifying decision-makers' allocation of resources towards their objectives. A high degree of cooperation occurs if they pool their resources, through bargaining, to respond to established priorities. A city manager's bargaining capability, for instance, may be seen in the ability to obtain the resources of other policy mak-

ers (i.e. mayor, city council) in the pursuit of the city's objectives.

Each organizational problem requires a specific allocation of resources. The decision to allocate resources is usually made on the basis of the possible payoff for solving the problem. The payoff is the return (lives or material worth) obtained for the use of certain resources. A decision-maker should, logically, use his or her resources to respond to problems of the highest payoff first. During periods of over-demand for resources, decision-makers would wish to secure the resources of others and to transfer them to problems having the highest value or payoff.

Decision-makers will enter into negotiations to gain payoffs which might not result without an agreement. This is based on the assumption that a subsystem should be able to obtain a higher payoff by cooperating than by acting alone. The organization's bargaining capability is a ratio of its actual results through cooperation to its optimal results if each player acted alone. This method of computation can be used as a measure of each subsystem's bargaining capability and the organization's total bargaining position.

### The Structural Functional Model

The structural functional approach attempts to understand the structural patterns developed by the organization to maintain itself and grow (17, 47, 48). An organization's effectiveness is enhanced by its ability to develop structures — alliances, traditions, doctrines, contracts, commitments, and mechanisms of participation. Without this ability, it will deteriorate.

According to this model, all systems need maintenance and continuity. The following aspects define this:

1. Security of the organization as a whole in relation to the social forces in its environment. This relates to the system's ability to forestall threatened aggressions or deleterious consequences from the actions of others.
2. Stability of lines of authority and communication. This refers to the continued capacity of leadership to control and have access to individuals in the system.
3. Stability of informal relations within the organization. This develops effective mechanisms for individuals and subgroups to adjust to each other.
4. Continuity of policy-making. This pertains to the ability to re-examine policy on a continuing basis.
5. Homogeneity of outlook. This refers to the ability to effectively orient members to organization norms and beliefs (47).

The system, in responding to these needs, develops mechanisms for protecting and securing itself. Such structural formulations as "concern for people" and "community input" may emerge as defense mechanisms, but remain as doctrine when specified in administrative procedure.

The structural functional model is implemented by defining the organizational structures which evolve as the system maintains itself and stabilizes its relationships with its environment. Ideologies, cooptation<sup>2</sup>, and commitments are viewed as a result of the lack of elements for effective maintenance of the organization's needs. Effective organizations are able to survive by developing structures that do not restrict their freedom of action.

### The Functional Model

In the functional approach an organization's effectiveness is determined by the social consequences of its activities (12, 31, 32, 33, 36, 37, 38, 39). The frame of reference for this assessment is not the organization structure itself, but how its activities benefit society. The crucial question

<sup>2</sup> Cooptation: "... the process of absorbing elements into the leadership or policy-determining structure of an organization as a means of averting threats to its stability or existence ..." (48, p. 13).

to be answered is: how well do the organization's activities serve the needs of its client groups?

With this approach, every system must define its purpose for being (goal attainment), determine resources to achieve its goals (adaptation), establish a means for coordinating its efforts (integration), and reduce the strains and tensions in its environment (pattern maintenance). Goal attainment centers on definition of goals and evaluation of accomplishments. Adaptation treats the functional area of procurement of resources, budgeting, management, and personnel. Integration is accomplished through division of tasks and responsibilities as well as their coordination. In pattern maintenance, tensions are reduced by answering clientele needs, considering the public interest, and promoting employee satisfaction and morale. Two of these functional variables, goal attainment and integration, are regarded as ends in themselves; the other two, adaptation and pattern maintenance, are facilitative or instrumental in accomplishing these ends (12, 32).

The appraisal of an organization's effectiveness should consider whether these activities are functions or dysfunctions in fulfilling the organization's goals. Functional consequences are observed behaviors that change existing conditions in the direction of desired objectives. Dysfunctions are observed consequences that change existing conditions in the direction contrary to those valued, or that interfere with the achievement of desired objectives. Functions meet existing needs, whereas dysfunctions generate new needs in the system. Hence functions and dysfunctions modify organizational conditions, but in varying ways. Both are experienced in terms of prevailing values, as necessitating some improvements.

### Selecting an Appropriate Evaluation Approach

These seven models have their strengths and

shortcomings depending upon the organizational situation being evaluated.

The choice of evaluation approach usually hinges on the organizational situation that needs to be addressed. Specific situations pertain to the performance of the organization's structure, the performance of individuals in certain administrative and organizational positions, and the impact of the organization on the surrounding environment.

### Evaluating the Performance of Organizational Structures

The rational goal and the systems resource models provide information on the overall effectiveness of the organization's structure. This includes information on its progress in reaching its goals as well as on the decision-maker's efficiency in allocating and utilizing resources to fulfill systems needs.

Each model has characteristic strengths and weaknesses. On the positive side, the rational goal model gives feedback about the organization's effectiveness in achieving its goals. It focuses attention on the systematic relationship of each activity, role, and function to the overall goals and objectives of the organization. The systems resource model is also useful in evaluating effectiveness. But effectiveness in goal attainment is only one of the requirements or needs the organization seeks to accomplish; other activities relate to survival — maintenance, evaluation, feedback, etc.

Each model has shortcomings. The rational goal model's results frequently show that organizations do not reach their goals effectively, a fact which may be deduced from the way studies are conducted. Goals represent targets of given people at a given time, while organizations tend to be less consistent and perfect than their cultural anticipations (9, 10). This is similar to comparing objects on different levels of analysis as, for example, when the present state of an organization (a real state) is compared with a goal (an ideal state) as if the goal were also a real

state. For this reason, the rational goal model should not be used to test the absolute effectiveness or ineffectiveness of a general program or organization.

Another problem lies with the difficulty in identifying the ultimate goals of the organization. Goals are defined from the formal documents and policy decisions rather than from the directions of individuals in the organization. An adequate conceptualization of an organization's goals cannot be formulated unless all the salient factors of the total organization and its purposes are incorporated into the framework.

The main difficulty with the systems resource model is in establishing unambiguous and acceptable criteria for measuring efficiency. The emphasis on efficiency may produce stress (16, 19, 20). Individuals are likely to feel anxious when they cannot achieve the efficiency they demand of themselves or that is demanded of them by their occupational roles (16). Over- or under-emphasis on efficiency may create feelings of frustration, resentment, and anxiety (16).

#### **Evaluating the Performance of the Organization's Human Resources**

The managerial process and OD models assess the behaviors of individuals in the organization. They provide information on administrative capabilities, productivity, values, beliefs, organizational norms and habits, mannerisms, job satisfaction and motivation. This information creates the focal point for developing people's competence to perform administrative processes, and to be more responsive to the needs of other individuals and the organization as a whole.

Both models are directed toward the informal organization and assume that its improvement will result in a more effective organization. The managerial process model provides information on how individuals in the organization judge the usefulness of the various managerial processes in achieving goals and objectives. The OD model — in generating information about

feelings, interpersonal communication, trust and openness — attempts to construct an organization in line with the interests and desires of the individuals in it. Its major strength is in developing a self-renewing, self-correcting quality in people who learn to organize themselves in a variety of ways to do the work they have to do.

One problem of the OD model is that it emphasizes the informal rather than the formal organization. Clearly, the informal culture of any organization is a strong determinant of how individuals behave; therefore, it must be addressed in organization change efforts. But the model fails to deliver a statement on the organization's ability to achieve results.

A problem of both models is that, however well-intentioned people are, they may be reluctant to accept the interpersonal feedback supplied by the models. Administrative improvement and OD thrive on developing skills in communication, leadership, problem-solving, openness, expression of what one feels and thinks, and acceptance and understanding of all organizational members. If the program is undertaken in an organization not ready for it, then it might have the serious consequence of polarizing organizational members.

#### **Evaluating the Impact of Organizational Activities**

The functional, structural functional, and bargaining models rely on information to analyze the relationship of the organization with its surrounding environment. The models analyze distribution of resources among key decision-makers, impact of the organization's activities on key client groups, power alliances in the execution of key decisions, and type of emerging administrative structures as the organization buffers itself from the environment.

The common basis for all three models is the assumption that an organization is effective if it appropriately serves its defined needs. In this context, needs refer to requirements the organization has to meet in order to relate effec-

tively to other parts of the organizational system. The functional approach sheds light on the organization's ability to meet the needs of key client groups in its environment. It pinpoints the functions it should carry out to facilitate realization of its goals. The structural functional approach is useful in detecting how organizational structures develop in response to the needs for their survival. Attention is focused on the structural conditions — bureaucratic and administrative requirements — influencing organizational behavior and functioning. The bargaining model, in assessing the capacity of existing resources to achieve organizational goals through alliances or coalitions, should indicate the cooperation or antagonism taking place between them. The model's strength lies in its use as a policy device for identifying individuals and groups who should be using their resources to achieve goals.

The major limitation of these three models is their emphasis on very specific aspects of the organization's effectiveness. The functional approach analyzes the impact of the organization's goal activities on key audiences; the structural functional approach views how organization structure develops in responding to the environment; the bargaining model detects how decision-makers use the organization's scarce resources. While each analysis points to a relevant aspect of the organization's functioning, there is nothing to suggest that improvements in these transactions will result in correspondingly greater productivity. Nonetheless, the models yield valuable insight into an organization's interaction with its environment.

Each model's conceptual framework is based on certain unfounded assumptions of organizational effectiveness. Functional theory states that an organization's effectiveness is based on four related activities — goal attainment, integration, adaptation, and pattern maintenance. Structural functionalism is equally limited in attributing a system's survival to its ability to satisfy five needs: security of the organization in relation to the environment, stability of lines of authority and

communication, stability of informal relations in the organization, continuity of policy-making, and homogeneity of outlook. The bargaining model defines effectiveness by the decision-maker's ability to utilize resources for specific goals.

## Conclusion

The selection of an approach for evaluating organizational effectiveness depends on the information the decision-maker requires. Table 2 provides a summary of each approach. Each model provides unique information about the organization:

1. The *rational goal* approach evaluates the organization's ability to achieve its goals.
2. The *systems resource* model analyzes the decision-maker's capability to efficiently distribute resources among various subsystems' needs.
3. The *managerial process* model assesses the capability and productivity of various managerial processes — decision-making, planning, and the like — for performing goal-related tasks.
4. The *organizational development* model appraises the organization's ability to work as a team and to fit the needs of its members.
5. The *bargaining* model measures the ability of decision-makers to obtain and use resources for responding to problems important to them.
6. The *structural functional* approach tests the durability and flexibility of the organization's structure for responding to a diversity of situations and events.
7. The *functional* approach relates the usefulness of the organization's activities to its client groups.

This article's definition of organizational effectiveness avoids the debate over which models and criteria are paramount. The judgment on

TABLE 2. Summary of Organizational Effectiveness Approaches

Organizational Effectiveness Model	Organizational Situation	Central Focus or Purpose	Assumption	Limitations
Rational Goal	Evaluation of performance of organizational structures.	Determine degree to which organizations are able to achieve their goals	An organization is rational if its activities are organized to achieve its goals.	The model frequently shows that organizations do not reach their goals. There is also a difficulty in identifying and defining organizational goals.
Systems Resource	Evaluation of performance of organizational structures	Determine decision-maker's efficiency in allocating and utilizing resources for fulfilling various systems needs.	An organization, in order to survive, must satisfy some basic needs: 1. Acquiring resources, 2. Interpreting the real properties of the external environment, 3. Production of outputs, 4. Maintenance of day-to-day internal activities, 5. Coordinating relationships among the various subsystems, 6. Responding to feedback, 7. Evaluating the effect of its decisions, 8. Accomplishing goals	Measures of all systems needs are difficult to develop.
Managerial Process	Evaluation of performance of organization's human resources	Determine capability or productivity of managers or managerial processes.	An organization can be considered rational when its various managerial processes and patterns enhance the individual's productivity or capability to obtain objectives.	Measures of productivity and capabilities pinpoint personal problems and limitations
Organizational Development	Evaluation of performance of organization's human resources.	Determine organization's ability to work as a team and fit the needs of its individual members.	Work which is organized to meet people's needs as well as organizational requirements tends to produce the highest productivity.	Emphasis on the informal organization takes precedence over the formal. Individuals may be reluctant to accept interpersonal feedback supplied by the model
Bargaining	Evaluation of impact of decisions.	Determine use or uses which various decision-makers make of their resources in achieving organizational goals	An organization is a cooperative, sometimes competitive, resource distributing system.	The model deals with a very specific part of the organization's activities.
Structural Functional	Evaluation of impact of organization's structure on performance.	Determine organization's ability to develop structures to maintain and strengthen performance	A system's survival is equated to satisfying five basic needs. 1. Security of organization in relation to environment, 2. Stability of lines of authority and communication, 3. Stability of informal relations in organization, 4. Continuity of policy-making, 5. Homogeneity of outlook.	The model deals with a very specific part of the organization's activities.
Functional	Evaluation of impact of organizational activities.	Provide information on social consequences of organizational activities and on organization's ability to meet needs of key client groups in its environment.	Every system must define its purpose for being (goal attainment), determine resources to achieve its goals (adaptation), establish means for coordinating its efforts (integration), and reduce strains and tensions in its environment (pattern maintenance).	The model deals with a very specific part of the organization's activities

each model's criterion will not be seen as an assessment of its universal meaning for organizational effectiveness. The different approaches are strategies for evaluating organizational effectiveness dictated by the type of information needed by the decision-maker.

The applicability and relevance of each approach depend on the particular organizational

problem that has to be resolved. The manager or researcher must determine whether the problem concerns the performance of the organization's structure or human resources or both, or its impact on the environment. The various strategies allow a wide latitude in evaluating an organization's effectiveness.

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