Organizational Effectiveness

Joe Matthews
Library Assessment Conference
Baltimore, MD 2010
Primary Challenges

- Definition
- Measurement
- Determinants

The challenges of Organizational Effectiveness
Goal Model – achievement of goals

Internal Process Model – organizational health and stability

Open Systems Model – acquiring resources

Multiple Constituencies Model – meeting the needs of different groups

Photo Flickr Gray Redfox
Higher Ed Effectiveness

Student educational satisfaction
Student academic achievement
Student career development
Student personal development
Faculty & admin. employment satisfaction
Quality of the faculty
Community interaction & openness
Ability to acquire resources
Organizational health

Peabody Library courtesy of David Green ARL email
Summarizing verb: Collaborate, Create, Control, Compete
“One of the forty most important frameworks in the history of business”
Leadership – performance – value creation
Four dimensions
The Garbage Can Model

Organized anarchy – collections of choices looking for problems, issues and feelings looking to be aired, solutions looking for problems, decision makers looking for work, organizations making choices with consistent shared goals, participants are constrained by the amount of time they can devote to an issue

“To understand processes within organizations, one can view a choice opportunity as a garbage can into which various kinds of problems and solutions are dumped by participants as they are generated. The mix of garbage in a single can depends on the mix of cans available, on the labels attached to the alternative cans, on what garbage is currently being produced, and on the speed with which garbage is collected and removed from the scene.”

Disconnect between organizational goals and the use of performance measures.
Orr’s Input-Process-Output-Outcomes model
Most organizations collect a plethora of measures
Few organizations use performance measures to better manage the organization
Should be a balance of financial and non-financial measures
Most measures report past performance – driving with a rear-view mirror
Performance measures are an imperfect indicator of an uncertain future
A measure should be able to discriminate between good and bad performance
Most measures are not linked to a model of organizational performance
Measures not linked to how an organization adds value

**Good measures:**
Direct behavior
Make performance visible
Focus attention
Clarifies expectations
Increase objectivity
Improve execution
Specific
Measureable
Actionable
Realistic
Timely
Dashboards – Display a collection of important (and few in number) performance measures
Different gauges reflect different concerns
Fuel gauge – resources
Speedometer – risk
Tachometer – institutional pulse
Temperature – opportunity gauge
Oil pressure – environmental scan – pressure points
Mileage – trend statistics
Warning lights – alerts
Challenge – How to choose what measures to display?
Sample dashboard from http://www.idashboards.com
Key performance indicators – What performance measures can be used as a part of a model of organizational success?
Typically key performance measures are not financial, they encourage appropriate action, they are predictive in nature, they indicate what action should be taken, they are acted upon by top management
British Airlines
Critical success factors – identify what is important to organizational success
What processes and activities are critical to the success of the organization
How does the organization add value??

Walmart – supply chain management system, IT
FedEx – own planes in a spoke & hub network, IT, empowered employees
Critical success factors for your library? Collection? Wayfinding? Services?
Complexity of Analysis

- Critical Success Factors
- Key Performance Indicators
- Dashboards
- Performance Measures

Importance Of Use
Total Quality Management

Edwards Deming and Phillip Crosby
Process improvement – involve workers in product/service quality
Use statistical process control measures
Six sigma – 3 errors out of 1 million events
Self-study – much like an accreditation visit
Specific questions to address in each of the specified areas or topics
Malcolm Baldrige National Quality Award

Univ of Wisconsin – Stout was a 2001 winner

Some organizations focus on the award and lose sight of their customers!
EFQM Excellence Model

**Enablers or Drivers**
- Leadership
- Policy & Strategy
- Partnerships & Resources
- People

**Processes**

**Results**
- People Results
- Customer Results
- Society Results
- Key Performance Results

EFQM - European Foundation for Quality Management
In other countries the award may be known as the Business Excellence Model
Hard to identify cause-and-effect measures
Kanji’s Business Excellence Model

**Principles**
- Delight the customer
- Management by fact
- People-based management
- Continuous improvement

**Core Concepts**
- Customer satisfaction
- All work is process
- Teamwork
- Continuous improvement cycle

Business Excellence

Gopal K. Kanji
Complexity of Analysis

- Critical Success Factors
- Key Performance Indicators
- Dashboards
- Performance Measures

Process Improvement

Total Quality Management

Importance Of Use

Quality Awards
Performance Measurement Frameworks
Performance Pyramid – see next slide
10 areas of measurement
Service Performance Scorecard
Performance Prism - 5 facets –
Stakeholder satisfaction
Strategies that deliver value
Processes
Capabilities
Stakeholder contributions

Complexity of Analysis

Critical Success Factors

Key Performance Indicators

Dashboards

Performance Measures

Process Improvement

Total Quality Management

Holistic Frameworks

Quality Awards

Performance Measurement Frameworks

Importance Of Use
Results & Determinants

Results & Determinants Framework
The 3Rs

Reach → Results

Results → Resources

The 3Rs
Strategic Triangle
Mark Moore has suggested that the point of all managerial activity is to create value and in a public context to create public value. This is accomplished by:
Managing downward – improving library operations and facilities
Managing outward – innovating and improving service to users
Managing upward – Meeting stakeholder expectations and needs
Performance measures should link strategies to outcomes and how systemic and situational factors affect performance

Triple Bottom Line –

Social, Ecological, Financial
Social Return on Investment – Triple Bottom Line
The Big Picture
Developed by the Scottish Council for Voluntary Organizations
Gates Foundation Global Libraries Impact Planning and Assessment
Intangible Assets

Intangible assets – equivalent to knowledge assets?
Library’s total value – sum of real and intangible value
Focuses on the added value intangibles create
3 Dimensions
   Human capital – training, experience, expertise, motivation
   Structural capital – systems, value of library’s collections, culture, processes, IT expertise
   Relational capital – collaboration, participation, trust, reputation, brand
It’s a balancing act!
Balanced Scorecard

Financial
“How do we look to resource providers?”

Customer
“How do our customers see us?”

Processes
“How are we productive & efficient?”

Learning & Growth
“Are we ready to change & improve?”

Original Balanced Scorecard
The Library Balanced Scorecard

Customer Perspective

Information Resources Perspective

Internal Processes

Learning & Growth

Financial Perspective

Service attributes & satisfaction

Collection (physical & electronic)

Efficiency & productivity

Staff skills, technology & climate for action

Accountability & value

Financial – good stewardship (benchmarking), secure funding (share of the pie), developing partnerships
Learning & Growth – Right people, right skills, right job; up to date IT and other tools needed to do the job;
Internal Processes – Efficiency (time or costs per activity), foster a culture of continuous improvement
Information Resources – “right stuff” (physical & electronic), right services
Customer Perspective – satisfaction, “the place to be”, demonstrate value to students, faculty & stakeholders

Sample Strategy Map

- Customer Perspective
  - Satisfaction
  - Right Collection
- Information Resources Perspective
  - Productivity Improvements
- Internal Processes Perspective
  - Skilled Staff
- Readiness Perspective
- Financial Perspective
  - Funding

Strategy Map for the Balanced Scorecard
• Leadership involvement is key
• Clarifies cause & effect
• A representation of the vision
• Measures linked to strategy
• Measures change over time
• Helps monitor progress

The scorecard is ...
Frameworks, including the BSC, offer no direction for the selection of specific performance measures
The value of performance measures to focus attention of moving towards meeting organizational goals
Focusing on the selection of measures that make a difference is critical to the success of any framework
The use of a framework and associated performance measures is a process and an investment – not a one-time event
Share with and involve staff in refining the framework and the associated measures
How Choose?
Fait accompli  Focus
Resonate        Perspective
Assessment takes time and the process of improvement is an iterative one
Most effects of college or the university are indirect and the impact of the library is even more indirect
The effects of college are varied for different groups of students and for residential colleges or commuter institutions
All assessment is local

Davida Scharf

Photo from NASA [Vela Supernova Remnant](http://antwrp.gsfc.nasa.gov/apod/ap100910.html)
Value is Co-created

The Library
Collections,
Service Offerings
& Attributes
of Service

Value /
Outcomes

Who is in the middle? The Customer
Performance measures are not prescriptive. Choose measures that reflect your strategy to deliver value to your customers. We should be working to better understand and communicate the value of the library in the life of our professors, our students, and the faculty’s research.
Flickr photo by Sean Michael Felix Sr
The real college experience
Questions