Methodological Issues in Evaluating Organizational Effectiveness

This paper addresses a number of problems associated with the evaluation of organizational effectiveness. Questions are raised concerning whether there is such a thing as organizational effectiveness, how stable and accurate are the assessment criteria, how widely the criteria can be applied, how such criteria can be of help in understanding organizational dynamics, etc. The author then presents a process model for analyzing effectiveness. The process model proposed consists of three related components: (1) the notion of goal optimization, (2) a systems perspective, and (3) an emphasis on human behavior in organizational settings. The advantage of approaching organizational effectiveness as a continuous process is discussed in detail. (S.J.L.)

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METHODOLOGICAL ISSUES IN EVALUATING ORGANIZATIONAL EFFECTIVENESS

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METHODOLOGICAL ISSUES IN EVALUATING ORGANIZATIONAL EFFECTIVENESS

The pursuit of organizational effectiveness has long been considered a hallmark of contemporary managers. Unfortunately, however, while most organizational analysts agree that managers have a central responsibility for achieving—or at least pursuing—effectiveness, there is a notable lack of consensus concerning what is meant by the concept itself (Pennings and Goodman, 1976). For an economist or financial analyst, organizational effectiveness is often equated with profit or return on investment. For a line manager, however, effectiveness is often synonymous with the level of output of goods or services. For the R & D scientist, effectiveness may be seen as the number of patents, inventions, or new products emerging from an organization. And, finally, for many labor union leaders, effectiveness is often defined in terms of job security, satisfaction, or the quality of working life. In short, while there is general agreement that effectiveness is a desirable attribute for organizations to exhibit, the criteria for its assessment remain unclear.

In view of the many different ways in which managers and researchers conceptualize the topic of organizational effectiveness, it comes as no

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surprise that there is equal disagreement concerning the best strategy for its attainment. A principal reason for this lack of agreement stems from the rather parochial views that exist concerning the effectiveness construct (see, for example, Campbell et al., 1974). For instance, many people view effectiveness in terms of one evaluation criterion (e.g., profit, productivity, etc.). On the contrary, it is difficult to conceive of an organization that would survive for long if it pursued a profit goal exclusively and ignored completely the needs and goals of its employees and of society at large. Organizations typically pursue multiple—and often conflicting—goals and these goals tend to be different across organizations depending upon the nature and composition of the particular enterprise and its environment.

A further explanation for the general absence of agreement concerning the nature of effectiveness stems from the ambiguity of the concept itself. It is often assumed (incorrectly) by organizational analysts that the evaluation criteria for effectiveness can be easily identified (Parsons, 1956). In point of fact, such criteria tend to be rather intangible and are largely the result of who is doing the evaluating and what their specific frames of reference are.

Various attempts have been made to identify relevant facets of effectiveness that could serve as useful evaluation criteria (Georgopoulos and Tannenbaum, 1957; Yuchtman and Seashore, 1967; Price, 1968; Mahoney and Weitzel, 1969). A recent review by this author of seventeen different
approaches to assessing organizational effectiveness revealed a general absence of convergence across the various approaches (Steers, 1975, 1976). Table 1 summarizes the various criteria used in the seventeen models, as well as the frequency (expressed both numerically and in percent) with which they are mentioned. As can be seen in this table, only one criteria (adaptability-flexibility) was mentioned in more than half of the models. This criterion was followed, rather distantly, by productivity, satisfaction, profitability, and resource acquisition. Thus, there is little agreement among analysts concerning what criteria should be used to evaluate current levels of effectiveness.

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Insert Table 1 About Here

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PROBLEMS IN EVALUATION

This absence of convergence among competing evaluation techniques presents a serious problem for both managers and organizational analysts. If agreement cannot be reached concerning appropriate criteria for purposes of assessment, then it follows that considerable difficulty would be encountered in attempts to evaluate the relative success or failure of an organization against such criteria. This inability to identify meaningful criteria to be used across organizations results in part from the existence of several questions (or problems) that must be resolved if we are to derive more useful approaches to assessing organizational effectiveness. Eight such issues are raised here (see Steers, in press, for a more detailed analysis).
1. **Is there any such thing as organizational effectiveness?** When examining the notion of effectiveness, it is only logical to ask whether or not there is indeed any such construct. That is, in the absence of any tangible evidence, it may be that organizational effectiveness exists only on an abstract level and has little applicability to the work place. If effectiveness is indeed a viable concept from either a psychological or managerial standpoint, its place in the study of organizations must be made more explicit.

2. **How stable are the assessment criteria?** A second problem encountered in attempts to assess effectiveness is that many of the criteria for evaluation change over time. For example, in a growth economy, the effectiveness of a business firm may be related to level of capital investment; however, during a recession or depression, capital liquidity may emerge to be a more useful criteria and high capital investment may shift from an asset to a liability. Clearly, such criteria do not represent stable indicators of organizational success. As a matter of fact, this transitory nature of many of the effectiveness criterion has led some investigators (e.g., Georgopoulos and Tannenbaum, 1957) to suggest that adaptability or flexibility represents the central variable in any model of effectiveness.

3. **Which time perspective is most appropriate in assessment?** Contributing to the criterion instability problem is the problem of which time perspective one wishes to employ in assessment. For example, if so many of an organization's resources are used in current production
(a short-run criterion) that little remains for investments in R & D, the organization may ultimately find itself with outdated products and threatened for its very survival (a long-term criterion). Thus, the problem for the manager is how best to allocate available resources between short and long-term considerations so both receive sufficient support for their respective purposes.

4. **Are the assessment criteria homogeneous?** Most approaches to assessing effectiveness rely on a series of relatively discreet criteria (e.g., productivity, job satisfaction, profitability). The use of such multiple measures, however, often leads to problems where these criteria are in conflict with one another. For instance, consider an organization that uses productivity and satisfaction as two of its criteria. Productivity can often be increased (at least in the short-run) by pressuring employees to exert greater energy. Such efforts by management are likely to result in reduced satisfaction, however. On the other hand, satisfaction may be increased by yielding to employees demands for increased leisure time and reduced production pressures, thereby potentially reducing productivity. Thus, while the use of multiple evaluation criteria adds breadth to any assessment attempt, it simultaneously opens the door to conflicting demands which management may not be able to satisfy.

5. **How accurate are the assessment criteria?** A further problem in assessing organizational effectiveness is common to all attempts by management to implement change; namely, how does one secure accurate measures for purposes of evaluation? How does an organization accurately measure
managerial performance or job satisfaction, if these are to be used as
effectiveness criteria? In addition, how consistent are such measures
over time? In point of fact, we tend to operationalize performance rather
loosely in terms of global superior ratings and satisfaction perhaps in
terms of turnover and absenteeism rates. Such operational definitions
have their obvious limitations, adding further to attempts to accurately
assess effectiveness.

6. How widely can the criteria be applied? A major problem that
exists with many of the criteria that have been suggested for assessing
effectiveness is the belief that they apply equally in a variety of
organizations. Such is often not the case. While profitability and market
share may be relevant criteria for most business firms, they have little
applicability for organizations like a library or a police department.
Thus, when considering appropriate criteria for purposes of assessment,
care must be taken to insure that the criteria are consistent with the
goals and purposes of a particular organization.

7. How do such criteria help us understand organizational dynamics?
Of major concern to the organizational analyst is the question of the
utility of the effectiveness construct. That is, what purposes are served
by the existence of evaluation criteria for assessing effectiveness? Do
they provide any insight into the dynamics of on-going organizations?
Do they help us to make predictions concerning the future actions of
organizations? Unless models facilitate a better understanding of
organizational structures, processes, or behavior, they are of little value from an analytical standpoint.

8. At which level should effectiveness be assessed? Finally, managers are faced with the problem of where to do the assessment of effectiveness. Logic would suggest that organizational effectiveness is best evaluated on an organization-wide basis. However, such an approach by itself ignores the dynamic relationships between an organization and its various parts. It must be remembered that it is the individual employees who ultimately determine the degree of organizational success. As such, if we are to increase our understanding of organizational processes, models of effectiveness must be developed which attempt to identify the nature of the relationships between individual processes and organizational behavior to the extent possible.

Even a cursory examination of these problems reveals the magnitude and complexity of the subject. If managers are to reduce their dependence on simplistic assessment criteria for evaluating effectiveness, they must be provided with a framework for analysis which overcomes many of these problems. One solution that at least minimizes many of the obstacles to assessing effectiveness is to view effectiveness in terms of a process instead of an end state. When we examine the earlier models of effectiveness, most place a heavy emphasis on identifying the criteria themselves (i.e., the end state). While such criteria may be useful, they tell us little about the ingredients that facilitate effectiveness. Nor
do they help the manager to better understand how effectiveness results.

Hence, it appears that we need to re-examine our notions about the concept of organizational effectiveness and about the kinds of analytical models managers require to facilitate effectiveness in their own organizations.

**WHAT IS ORGANIZATIONAL EFFECTIVENESS?**

The term organizational effectiveness has been used (and misused) in a variety of contexts. As noted in Table 1, some equate the term with profit or productivity, while others view it in terms of employee job satisfaction, and so forth. While these criteria are often viewed as definitions of organizational effectiveness, a few investigators suggest that such variables actually constitute intervening variables which enhance the likelihood that effectiveness will result (Price, 1968).

If we accept the notion that organizations are unique and pursue divergent goals, then such definitions are too situation-specific and value-laden to be of much use. Instead, it appears more useful initially to follow the lead of Etzioni (1960) and others and to define organizational effectiveness in terms of an organization's ability to acquire and efficiently utilize available resources to achieve their operative goals.

Such a definition requires elaboration. First, we are focusing on operative goals, as opposed to official goals. That is, it seems more...
appropriate to assess the relative level of effectiveness against the real intended objectives of an organization, instead of a static list of objectives meant principally for public consumption. For example, we often see public advertisements by corporations claiming that "progress is our most important product" or "the things we do improve the way we live". Such statements (or official goals) often give the impression that the company's primary objective is progress while other goals (i.e., profit, growth, or an acceptable rate of return on investment) probably represent more accurate statements of intent (i.e., operative goals). Thus, whatever the organization intends to pursue, it is against these criteria that effectiveness is best judged. Such an approach has the added advantage of minimizing the influence of the analyst's value judgments in the assessment process. While many would argue that job satisfaction is a desirable end, for example, it remains for the organization to set such a goal, not for an outside analyst. Moreover, inherent in such a definition is the notion that effectiveness is best judged against an organization's ability to compete in a turbulent environment and successfully acquire and utilize its resources. This suggests that managers must deal effectively with their external environments to secure needed resources. Finally, this approach acknowledges the concept of efficiency as a necessary yet insufficient ingredient (or facilitator) of effectiveness.

2For divergent points of view on this issue, see the recent article in The Industrial Psychologist entitled "Quality of Work Life: Divergent Viewpoints, 1976, 13(4), 38-39.
A Note on Efficiency

Efficiency and effectiveness are often used interchangeably. The approach taken here is to separate clearly the two notions and to recognize the importance of and interrelation between the two. While effectiveness is seen as the extent to which operative goals can be attained, efficiency is defined as the cost/benefit ratio incurred in the pursuit of those goals (Barnard, 1938). An example should clarify this distinction. Shortly after World War II, a ranking German officer observed that the Allies had not "beaten" Germany but has instead "smothered" her. In other words, the officer was suggesting that while the Allies had been effective in the pursuit of their objectives, they had not been particularly efficient.

At some point, we would expect that increased inefficiency would have a detrimental effect on subsequent effectiveness. Applying this example to a business environment, one could suggest that the more costly goal effort becomes, the less likely the business is to be effective. An example of this efficiency-effectiveness relationship can be seen in some of the current experiments in job redesign, such as the Volvo and Saab experiments in Sweden. Several prominent investigators have noted recently that, while job enrichment may have desirable social consequences, the costs associated with such efforts may be so high that they increase the price of the product beyond that which customers are willing to pay. Hence, the notion of efficiency emerges as an important contribution to organizational effectiveness.
A PROCESS MODEL FOR ANALYZING EFFECTIVENESS

From a static viewpoint, it may suffice to define effectiveness in terms of attaining operative goals. However, if we are to understand more fully the processes involved in bringing about an effective level of operations, it is necessary to take a more dynamic approach to the topic. The approach suggested here is essentially a "process model" of effectiveness. That is, the aim here is to provide a framework for analysis by managers of the major processes involved in effectiveness. This approach contrasts sharply with earlier models which attempted to list the requisite criteria for assessing organizational success.

The process model proposed here consists of three related components: 1) the notion of goal optimization; 2) a systems perspective; and 3) an emphasis on human behavior in organizational setting. It is felt that these three components, when taken together, provide a useful vehicle for analysis of effectiveness-related processes in organizations. This multidimensional approach has several advantages over earlier models. In particular, it has the advantage of increasing the comprehensiveness of analysis aimed at better understanding a highly complex topic.

Goal Optimization

If we examine the various approaches currently being used to assess organizational effectiveness, it becomes apparent that most rest ultimately on the notion of goal attainment (Hall, 1972). A primary advantage of
using the operative goal concept for assessing level of effectiveness is that organizational success is evaluated in the light of an organization's behavioral intentions. In view of the fact that different organizations pursue widely divergent goals, it is only logical to recognize this uniqueness in any evaluation technique.

While many variations on the goal approach to evaluating effectiveness exist, the more fruitful approach appears to be to view effectiveness in terms of goal optimization. That is, instead of evaluating success in terms of the extent to which "desired" goals have been maximized, we recognize a series of identifiable and irreducible constraints (e.g., money, technology, personnel, other goals, etc.) that serve to inhibit goal maximization. Managers are seen as setting and pursuing "optimized" goals (i.e., desired goals as constrained by available resources). For example, a company may feel that a 10% return on investment is a realistic goal in view of resource availability, the existing market environment, and so forth. It is suggested here that it is against this feasible goal set that effectiveness be judged, instead of against the notion of an ultimate goal set. (Note that goal optimization should not be confused with sub-optimization, where less than optimal goals are intentionally pursued. Under sub-optimized conditions, a company may intentionally set a 5% return on investment goal even though 10% may be feasible given the situation.)
The use of the goal optimization approach has several advantages over conventional approaches. To begin with, it suggests that goal maximization is probably not possible and that even if it was, it may be detrimental to an organization's well-being and survival. For example, in most situations there appears to be little chance for a company to maximize productivity and job satisfaction at the same time. Instead, compromises must be made which provide for an optimal level of attainment on both objectives. Thus, the use of a goal optimization approach allows for the explicit recognition of multiple and often conflicting goals.

Second, goal optimization models recognize the existence of differential weights that managers place on the various goals in the feasible set. For instance, a company may place five times the weight (and resources) on the pursuit of its profit goal as it does on its affirmative action employment goal or its job satisfaction goal. While real-life examples would obviously be far more complex, this simple example should serve to emphasize the differential weighting aspect inherent in any assessment of effectiveness.

Third, the model proposed here also recognizes the existence of a series of constraints that can impede progress on goal attainment. Many of these constraints (e.g., limited finances, people, technology, etc.) may be impossible to alleviate, at least in the short-run. Thus, it is important to recognize such constraints—and how a company reacts within them—in any final assessment of success or failure.
Fourth, this approach has the added advantage of allowing for increased flexibility in the evaluation criteria. As the goals an organization pursues, or the constraints associated with such goals, change, a new optimal solution would emerge which could represent new evaluation criteria. Hence, the means of assessment would remain current and would be adaptable to the needs of the organization.

Finally, from the standpoint of long-range planning, weighted goals and their relevant constraints could be modelled using computer simulations to derive optimal solutions for purposes of allocating future resources and effort. The use of computer simulation models in long-range planning has become commonplace among larger organizations. This same technique could be applied to examining organizational effectiveness. Major organizational and environmental variables could be systematically manipulated to analyze the impact of such changes on resulting facets of effectiveness (e.g., profit, market share, adaptation, productivity). Through such manipulations, optimal solutions could be derived which would provide direction for managers concerning the future efforts of the enterprise.

System Perspective

The second important aspect of a process model of organizational effectiveness is the use of an open systems perspective for purposes of analysis (Katz and Kahn, 1966). Such a perspective emphasizes interrelationships between the various parts of an organization and its environment as they jointly influence effectiveness.
If we take a systems perspective, it would appear that four major categories of influences on effectiveness can be identified (see Figure 1): 1) organizational characteristics, such as structure and technology; 2) environmental characteristics, such as economic and market conditions; 3) employee characteristics, such as level of performance and job attachment; and 4) managerial policies and practices. While the precise manner in which these variables influence effectiveness goes beyond the scope of this paper (see Steers, in press), it is suggested that these four sets of variables must be relatively consonant if the likelihood of effectiveness is to be enhanced.

Thus, managers have a responsibility to attempt to understand the nature of their environment and to set realistic goals aimed at accommodating and/or exploiting that environment. Given such goals, the more effective organizations will tend to be those which successfully adapt structure, technology, work effort, policies, etc., so they facilitate goal attainment.

Behavioral Emphasis

A final aspect of the process approach to understanding and analyzing effectiveness is a major focus on the role of individual behavior as it affects organizational success or failure. The position taken here is
in opposition to the stand taken by many that effectiveness is best examined exclusively on a "macro" (or organization-wide) basis. Instead, it appears that greater insight can result if analyses include consideration of how the behavior of individual employees impacts upon organizational goal attainment. If the employees of an organization largely agree with the objectives of their employer, we would expect their effort toward those goals to be relatively high. On the other hand, if the goals of an organization largely conflict with the personal goals of employees, there is little reason to believe that such employees would put forth their maximum effort (Argyris, 1964).

An interesting example of the importance of individuals in goal attainment can be seen in the controversy over automobile seat belts during recent years. While this example is not an organizational example per se, it should serve to make the point. In an effort to improve traffic safety, the federal government initially passed a law which required auto manufacturers to install seat belts in all new cars. When this action failed to have the desired consequences (that is, many people simply did not use them), additional laws were passed requiring manufacturers to install warning lights, buzzers, and so forth, to remind drivers to use seat belts. Finally, when this too proved ineffective, laws were passed requiring manufacturers to install devices which made it mandatory to use seat belts before the ignition could be activated.

While the initial goal was laudatory, the process (means) used to achieve
this goal were largely ineffective because they ignored the pre-
dispositions and behavior patterns of most drivers. Perhaps a more
effective strategy (certainly in terms of time and cost) would have
been simply to pass one law nullifying accident insurance claims for
drivers injured while not wearing seat belts.

Hence, when we examine organizational effectiveness, it is important
to recognize and account for the people who ultimately determine the
quality and quantity of an organization's response to environmental
demands.

SUMMARY AND CONCLUSIONS

Most contemporary organizations exist in turbulent environments, where
threats to survival and growth can be relatively commonplace. Within
such environments, managers must attempt to secure and properly utilize
resources in an effort to attain the operative goals set forth by
the organization. The process by which they do so—or fail to do so—is at the heart of the concept of organizational effectiveness.

In the above discussion, we have attempted to review the various
approaches that have been taken to evaluating organizational effectiveness.
It was noted that little homogeneity exists between the various approaches.
This lack of consensus is believed to result from the existence of at
least eight problems inherent in the existing models. In an effort to
overcome many of these problems, a process model of organizational
effectiveness has been proposed.
The model described here is somewhat different from earlier models. Instead of specifying the criteria for effectiveness (i.e., when is an organization effective?), this model focuses on the process of becoming effective (i.e., what conditions are most conducive to effectiveness?)

It is argued here that the actual criteria for evaluation vary depending on the particular operative goals of the organization. Because of this, it appears appropriate to place greater emphasis on understanding the dynamics associated with effectiveness-oriented behavior.

It is further suggested that one way to conceptualize organizational effectiveness as a process is to examine three related factors. First, the use of objectives (i.e., what an organization is capable of attaining) can be used to provide realistic parameters on the assessment process. Then, within these constraints, we can ask intelligent questions concerning the appropriateness of managerial resource allocation decisions in the light of these constraints. That is, there may be a better way for managers to spend their limited resources. Important questions to consider here include the following:

a. To what extent are we applying our limited resources toward the attainment of our various goals? In point of fact, organizations often make resource allocation decisions independent of goal decisions, resulting in "unfunded" goals and "funded" non-goals. This behavior is perhaps most clearly exemplified in the practice by various state and federal legislatures of passing authorization bills and appropriation bills separately. Thus, it is possible (and, in fact, often happens) that a bill (goal) becomes law but no resources are appropriated to implement it.
b. Is there a clear relationship between the amount of resources we spend on the various goals and the importance of each goal? For example, if an organization truly believes it places equal weight on making a profit and on improving the quality of working life, are such beliefs borne out in terms of resource allocation? This does not suggest that equivalent amounts of resources must be spent on both goals. Instead, it suggests that sufficient resources be spent to bring about the attainment of both goals.

c. What kind of return on investment are we getting on our resources per goal? If organizations pursue multiple goals, it would seem logical to examine the efficiency of effort toward each goal. It may be that an organization is highly efficient on its less important goals and relatively inefficient on its more important goals. Where such inefficiencies are noted, decisions must be made concerning the desirability of continuing the pursuit of the goal. Where a goal is viewed as worthwhile (e.g., hiring the hard-core unemployed), companies may pursue the goal despite a low return on investment.

d. Is the entire organization working together for goal attainment? There are instances where the existing marketing channels of an organization are not suited to newer or different products, leading to suboptimal results. Moreover, a fairly common complaint against research and development departments is that their scientists stress basic research projects at the expense of applied projects which generally have more immediate and more certain payoffs.

e. Finally, organizations should constantly raise questions concerning their place in the external environment. A relatively successful example of such organization-environment fit can be seen in American Motors Corporation, which for many years has specialized in small cars and jeeps while the "big three" stressed medium and large-sized cars. As the other auto makers shift their focus toward smaller cars, however, AMC (with fewer resources) may find it necessary to adjust its efforts toward newer markets. Hence, flexibility in the face of environmental change remains an important area of concern for effective organization.

Second, it has been stressed throughout our discussion that the use of a systems perspective allows for the explicit recognition of how various factors in the organization blend together to facilitate or inhibit effectiveness-related activities. This approach forces managers to
employ more comprehensive analytical models when asking questions about why the organization achieved or failed to achieve a particular goal. It allows for a more global perspective of the nature of the problem, as well as possible solutions.

Third, it is highly desirable to recognize the important link between individual behavior and organization-wide performance. That is, any consideration of how organizations become effective (or more effective) must account for the primary determinant of ultimate organizational performance: the employees of the organization. Recent efforts to institute Management-by-Objectives programs in organizations represent one such attempt to coordinate the efforts of various employees toward specific organizational objectives. When taken together, these three related factors should assist managers and organizational analysts in understanding the various ways organizations move toward or away from goal attainment and organizational effectiveness.

Two general conclusions emerge from our analysis of organizational effectiveness which have important implications for both managers and psychologists. To begin with, the concept of organizational effectiveness is best understood in terms of a continuous process instead of an end state. Marshalling resources for goal-directed effort is an unceasing task for most managers. In view of the changing nature of the goals that are pursued in many organizations, managers have a constant responsibility to recognize environmental changes, restructure, available resources, modify technologies, develop employees, and so forth, in
order to use the talents at their disposal to attain such goals. In these efforts, contemporary managers emerge as the primary facilitator of effectiveness through their actions and behavior.

In addition, our analysis has emphasized the central role of contingencies in any discussion of effectiveness. Thus, it is incumbent upon managers to recognize the unique qualities that define their own organization—its goals, structures, technologies, people, environments, etc., and to respond in a manner that is consistent with this uniqueness. This conclusion cautions against the arbitrary use of "rules" or "principles" for achieving success. Such rules and principles are of little use in view of the diversity of organizations in our contemporary society.

Instead, responsibility must fall to the organization and its management to develop employees so they can better recognize and understand the nature of a particular situation and respond appropriately. When viewed in this manner, organizational effectiveness becomes largely a function of the extent to which managers and employees can pool their efforts and overcome the obstacles which inhibit goal attainment.
REFERENCES


Table 1
FREQUENCY OF OCCURRENCE OF EVALUATION CRITERIA IN 17 MODELS OR ORGANIZATIONAL EFFECTIVENESS

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Number of times Mentioned (N=17)</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptability-flexibility</td>
<td>10</td>
<td>59%</td>
</tr>
<tr>
<td>Productivity</td>
<td>6</td>
<td>35%</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>5</td>
<td>29%</td>
</tr>
<tr>
<td>Profitability</td>
<td>3</td>
<td>18%</td>
</tr>
<tr>
<td>Resource acquisition</td>
<td>3</td>
<td>18%</td>
</tr>
<tr>
<td>Absence of strain</td>
<td>2</td>
<td>12%</td>
</tr>
<tr>
<td>Control over environment</td>
<td>2</td>
<td>12%</td>
</tr>
<tr>
<td>Development</td>
<td>2</td>
<td>12%</td>
</tr>
<tr>
<td>Efficiency</td>
<td>2</td>
<td>12%</td>
</tr>
<tr>
<td>Employee retention</td>
<td>2</td>
<td>12%</td>
</tr>
<tr>
<td>Growth</td>
<td>2</td>
<td>12%</td>
</tr>
<tr>
<td>Integration</td>
<td>2</td>
<td>12%</td>
</tr>
<tr>
<td>Open communications</td>
<td>2</td>
<td>12%</td>
</tr>
<tr>
<td>Survival</td>
<td>2</td>
<td>12%</td>
</tr>
<tr>
<td>All other criteria</td>
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<td>6%</td>
</tr>
</tbody>
</table>

Figure 1. Major Influences on Organizational Effectiveness

Organizational Characteristics
(structure, technology)

Environmental Characteristics
(economic & market conditions)

Employee Characteristics
(performance, job attachment)

Managerial Policies & Practices

Organizational Effectiveness