

# **Organisational effectiveness**

## **Concept of organisational effectiveness**

Organisational effectiveness also called as organisational success or growth, it is defined and conceptualized in different ways, and no unanimity is found in different approaches. show a large volume of literature is available on the concept and working of organisational effectiveness, there is often contradiction in the various approaches. The various approaches are judgemental and open two question. Thus, various terms are often used interchangeably such as efficiency, productivity, profitability, organisational growth to denote organisational effectiveness. The inconsistency in the various terms is obvious. This inconsistency mainly arises because of different conception of organisational effectiveness.

Campbell, who has done considerable research on organisational effectiveness as reviewed various studies and conceptual framework on organisational effectiveness and found that 30 criteria have been used to measure organisational effectiveness. Based on these reviews, arrived at the conclusion that since an organisation can be effective or ineffective on a number of different facets that may be relatively independent of one another, organisational effectiveness has no operational definition.

**According to Bernard** "organisational effectiveness is the degree to which cooperative goals have been attained while al-azhar concept of efficiency represents the cost/benefit rate incurred in the pursuit of these goals".

## **Approaches to measure effectiveness**

We have seen that organisational effectiveness is defined in different ways and that each way provides a particular criteria or a set of criteria which may be even contradictory. however it does not mean that organisational effectiveness should not be measured; it has to be measured. It multi measure because of two reasons;

firstly, those who are responsible for the management of an organisation should know whether their organisation is doing things rightly. If not, what additional efforts are required.

Secondly, an organisation is a means for satisfying the needs of people in the society and the satisfaction of such needs is directly linked to organisational effectiveness.

**there are four type of approaches which are commonly used for effectiveness measurement:**

- 1) Goal approach**
- 2) Behavioral approach**
- 3) System-resource approach and**
- 4) Strategic constituencies approach**

### **Goal approach**

Goal approach attempts at measuring organisational effectiveness in terms of goal achievement by an organisation. An organisation being a deliberate and purposive creation, has some specific goals for set of the effectiveness of the organisation can be measured in termsthe effectiveness of the organisation can be measured in terms of the degree to which these goals are achieved.

In studying effectiveness in terms of goal achievement theorists tend explicitly and implicitly, to make two assumptions:

1. That complex organisations have an ultimate goal towards which they strive
2. That the ultimate goal can be defined empirically and progress towards it measured.

In fact, the orientation to a specific role is taken by many as the defining characteristics of organisation. Goal approach defines effectiveness as “profit maximization” providing and efficient service, high productivity or good employee moral etc. Campbell at suggested several variable which can be measuring organisational effectiveness. Includes in his list such item as quality, productivity, readiness, efficiency, profit or return, utilisation of environment, stability, turn over or retention, accidents, moral, motivation, satisfaction, internalization of organisational goals, conflict cohesion, flexibility adaptation and evaluation by external entities. Thus, many criteria for organisational effectiveness based on goals have been proposed. however none of the single

criteria has proved to be entirely satisfactory as the sole for universal measurement of effectiveness.

### **Behavioral approach**

Behavioural approach of measuring organisational effectiveness takes into account the behaviour of people in the organisation which ultimately determine the degree of goal achievement by organisation. This approach is based on two assumptions:

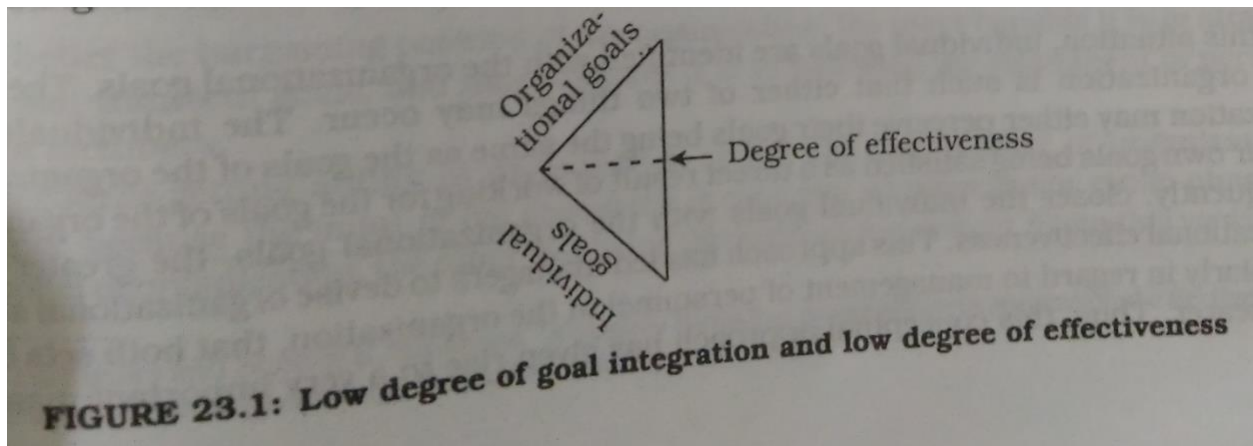
1. Organisations as collectively of people have one set of goals and people as individual another set of goals.
2. degree of organisational effectiveness depends on the degree of integration of organisational and individual goals.

The integration of individual and organisational goals affect organisational effectiveness because each individual tries to satisfy his need by working in the organisation. Thus, he may try to satisfy his own need without taking into account of organisational needs if he is able to do so. Therefore there is some level of integration between the individual and organisation. And this integration may have three alternative level of integration.

1. Low degree of goal integration
2. Moderate degree of goal integration
3. High degree of goal integration

#### **Low degree of goal integration**

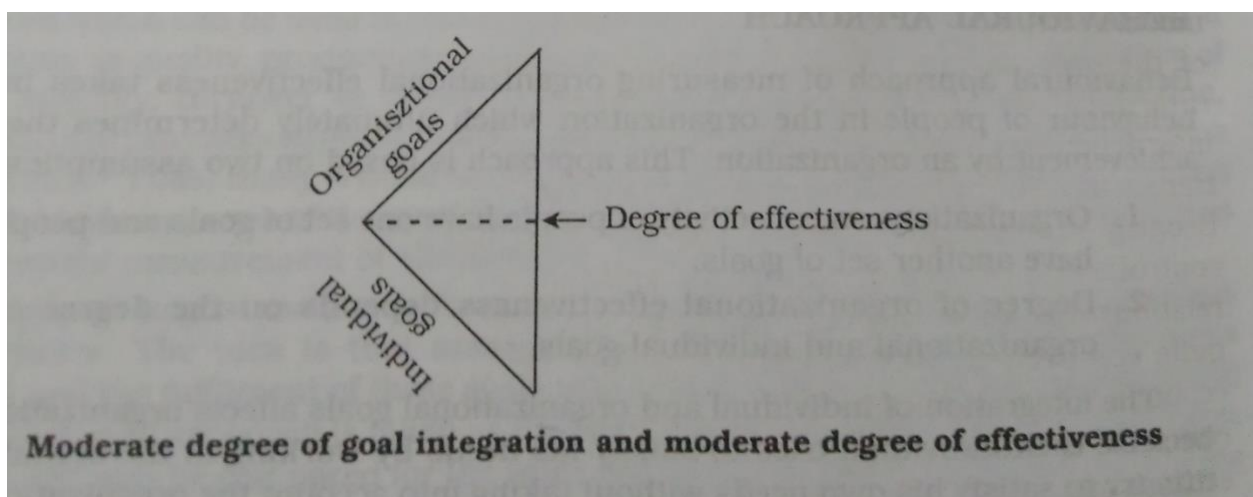
In the first case , when there is low degree of goal integration. That is, low degree of fusion score the degree of organisational effectiveness is also low as shown in figure



This is the situation where organisational member are opposed to the organisational goals. In this situation other organisation aur individual may be able to satisfy its needs. There is a general disregard for the welfare of organisation. however this position cannot last for long because either the individual will leave the organisation or later may substitute the individual, depending upon the circumstances and the external environment for organisational may go out of action.

### **Moderate degree of goal integration**

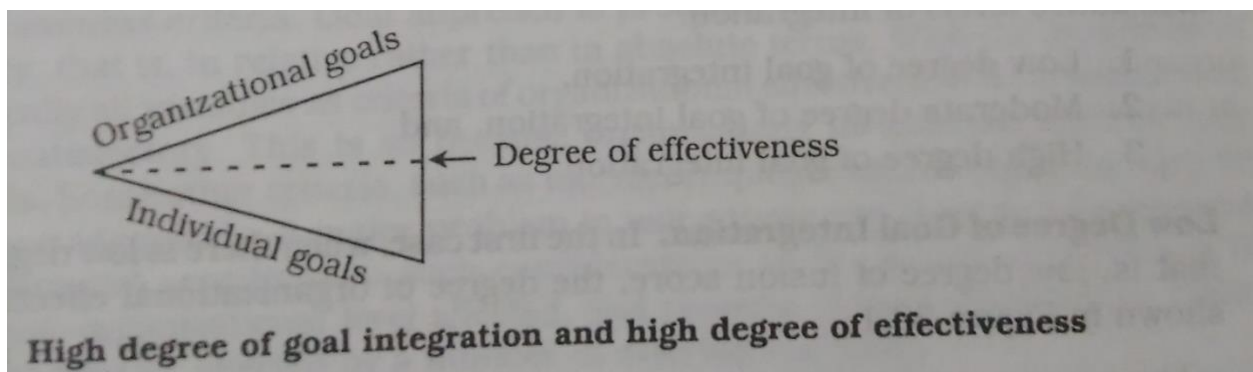
in the second situation there is moderate degree of integration of organisational and individual goals and consequently there is moderate degree of organisational effectiveness shown in figure



In this case, the organisational and individual goals are somewhat compatible but they are not exactly the same. The result of interaction between two set of goals is compromise and actual performance is a combination of both.

### **High degree of goal integration**

In this situation there is a high degree of integration between organisational and individual goals and consequently high degree of organisational effectiveness shown in figure



In this situation individual goals are identified with the organisational goals. The climate of organisation is such that order two things may occur. The individual in organisation may either perceive their goal being the same as the goal of the organisation or their own goals being satisfy as a direct result of working for the goals of organisation.

### **System resource approach**

system resource approach of an organisational effectiveness is derived from the open system model as it is applied to formal social organisation. this model emphasis the distinctiveness of organisation as an identifiable social structure for entity and it emphasis the interdependency of processes that relate the organisation to its environment. The interdependence between organisation and its environment takes the form of input output transactions of various kinds relating to various things. Are scars and valued resources. Broadly defined these resources are generally means for facilities that are potentially controllable by social organisations and that are potentially usable however indirectly in

relationships between the organisation and its environment. Thus, in practice organisational effectiveness must be assessed in relative term. If the nature of resources is also taken into account, the following steps seems necessary for meaningful comparison:

1. To provide and exclusive taxonomy of resources.
2. To identify the different type of resources that are mutually relevant for the organisational understudy
3. To determine their relative positions of the compared organisation on the basis of information concerning the amount and kinds of resources that are available for the organisation can and its efficiency in using these resources to get for the resources.

### **Strategic constituencies approach**

strategic constituencies approach has been derived from system resource approach with two major difference,

First, this approach considers only relevant environment of the organisation under reference and takes into account those factors which have their impact on the operations of the organisation

Second, this approach does not only consider taking input from environment but exporting its output to the environment.

In order to apply this approach and organisation has to;

1. Identify the relevant strategic constituencies and their impact on the organisation
2. Identify the expectation of these constituencies and the way for meeting these expectations.

20 strategic constituencies and their expectation may differ from different type of organisations based on the function performed by them. In the case of business organisation these maybe e owners, management, employees, suppliers, mint and community. These are known as interest groups.