

## Methodologies to Measure Organizational Effectiveness

(Developed in the summer of 2007 following an April 20, 2007 ‘measurement’ symposium, by NCCI members who have applied the various tools listed.)

Methodology	Description	Context	Pros	Cons	More Information
<b>Appreciative Inquiry</b>	<p>Refers to a search for knowledge and a process of intentional collective action which are designed to help evolve the vision and will of the company as a whole. In distinction to traditional strategic planning, the approach lies not so much in goal-seeking or problem solving as in organizational innovation. Appreciative inquiry refers to a research and planning perspective that is uniquely intended for discovering, understanding, and fostering innovations in organizational arrangements and processes. Its purpose is to contribute to the generative aims of the organization and to use such knowledge to promote the effectiveness and continuing success of the organization.</p> <p>Appreciative inquiry is based on the following principles: appreciation for what has been accomplished; building and leveraging the strengths and assets of the organization; generating provocative and innovative ideas; and collaboration among key executives and managers.</p>	<p>A good tool for helping an organization discover, and dialogue, about its strengths. Does not consider qualitative data.</p>	<p>Focuses on building on ones strengths.</p>	<p>May not include quantitative metrics.</p>	
<b>Balanced Scorecard</b>	<p>The Balanced Scorecard is an approach to strategic management. It is a management and measurement system that enables organizations to clarify their vision and strategy and translate them into action. Developed by Drs. Robert Kaplan (Harvard Business School) and David Norton, it provides a clear prescription about what companies should measure in order to 'balance' the financial perspective. It provides feedback on the internal business processes and external outcomes in order to continuously improve strategic performance and results. With it you view the organization from four perspectives, develop metrics, collect data, and analyze it relative to the perspectives including:</p> <ul style="list-style-type: none"> <li>• Learning and Growth</li> <li>• Business Process</li> <li>• Customer</li> <li>• Financial</li> </ul>	<p>Balanced Scorecard is a methodology that provides businesses with tools to align vision to measurable action.</p>	<p>Provides data to support Baldrige criteria.</p>	<p>Can be overwhelming for folks in a university setting who are just learning to align &amp; measure performance.</p>	<p><i>Strategy Focused Organization</i> by Kaplan and Norton</p>

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<b>Baldrige National Quality Program for Education</b>	<p>Baldrige criteria measures quality in education to strengthen U.S. competitiveness. The goal is students excelling. For students to excel the premise is an organization is high-performing, has high integrity, and is characterized by the ethical behavior of its students, faculty, and staff. Criteria are the basis for conducting organizational self-assessments and help improve organizational performance practices, capabilities, and results; facilitate communication and sharing of best practices; serve as a working tool for understanding and managing performance and guiding organizational planning and learning opportunities. The criteria are designed to facilitate an integrated approach to organizational performance management that results in:</p> <ul style="list-style-type: none"> <li>• Delivery of ever-improving value to students and stakeholders, contributing to education quality and organizational stability.</li> <li>• Improvement of overall organizational effectiveness and capabilities.</li> <li>• Organizational and personal learning.</li> </ul>	<p>An overarching framework that incorporates data and measures from other methodologies into a global picture.</p> <p>Serves as a tool to align strategically, measure performance, and plan.</p>	<p>Overarching framework for reporting data gathered using other methodologies.</p>	<p>Not a stand-alone measurement tool; other tools feed into it.</p>	<p>Baldrige Web Site: <a href="http://www.baldrige.nist.gov">www.baldrige.nist.gov</a>  E-Baldrige Organizational Profile: <a href="http://www.baldrige.nist.gov/eBaldrige/Step_One.htm">www.baldrige.nist.gov/eBaldrige/Step_One.htm</a>  Application Forms: <a href="http://www.baldrige.nist.gov/Award_Application.htm">www.baldrige.nist.gov/Award_Application.htm</a></p>
<b>CEO</b>	<p>A simplified approach to inform strategic planning that focuses on measuring stakeholder value in three key areas: Customer, Employee, and University Owner (e.g. Owner = Trustees, President, Provost, Deans, VPs, Directors).</p> <p>For each stakeholder group you identify the key stakeholders and what they value; learn what they expect from your team; measure your success at delivering what they value; focus on improvement based on the data and what must change; acknowledge results and obtaining feedback on changes and reward success. The goal is to deliver what customers value; to capitalize on the direct correlation employee motivation and satisfaction and customer satisfaction and loyalty; and to support the owners by being accountable and responsible stewards of university resources. You analyze your success in each area and adjust to achieve continuous improvement.</p>	<p>A simplified Balanced Scorecard that is more applicable and disciplined to measuring and providing strategic direction. There is less rigor on minute detail.</p> <p>Applicable to incremental and long-term improvement efforts at various group/team levels.</p> <p>Appropriate for unit based, departmental, divisional, and university continuous improvement initiatives.</p>	<p>Simplified model identifies stakeholder value and aligns strategy for continuous improvement.</p> <p>Provides data to support Baldrige criteria.</p>		<p><a href="http://www.cufa.cornell.edu/as/hr/ceo.html">http://www.cufa.cornell.edu/as/hr/ceo.html</a></p> <p>See the book, <i>Measure What Matters</i>, by Rich McDaniel and Rod Napier, for more info</p>

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<b>Accelerated Improvement Process (Wisconsin)</b>	<p>UW Madison's "Accelerated Improvement" model is not a system for measuring performance. It is an approach for making process improvements quickly. The how to guide the university follows can be found at:</p> <p><a href="http://seeker.doit.wisc.edu/oqirescenter/uploads/resources/Accelerated%20Improvement%20Guide%20v2.0.pdf">http://seeker.doit.wisc.edu/oqirescenter/uploads/resources/Accelerated%20Improvement%20Guide%20v2.0.pdf</a></p> <p>Wisconsin tracks institutional progress on strategic priorities via a number of key measures. There is no named approach.</p> <p>The measures are included as links for each priority at the following site:</p> <p><a href="http://www.chancellor.wisc.edu/strategicplan/progress.html">http://www.chancellor.wisc.edu/strategicplan/progress.html</a></p>		See web site for more detail.	See web site for more detail.	<a href="http://seeker.doit.wisc.edu/oqirescenter/uploads/resources/Accelerated%20Improvement%20Guide%20v2.0.pdf">http://seeker.doit.wisc.edu/oqirescenter/uploads/resources/Accelerated%20Improvement%20Guide%20v2.0.pdf</a>
<b>Lean Enterprise</b>	<p>A business system for organizing and managing product development, operations, suppliers, and customer relations. Business and other organizations use lean principles, practices, and tools to create precise customer value—goods and services with higher quality and fewer defects—with less human effort, less space, less capital, and less time than the traditional system of mass production.</p> <p>Leaders today in a wide range of industries, nonprofit organizations, government agencies, healthcare, and other areas are finding ways to apply the principles of lean as a means of producing goods and delivering services that creates value for the customer with the minimum amount of waste and the maximum degree of quality.</p>	<p>Focuses on creating precise customer value of high quality goods with few defects.</p> <p>Best used in a production environment.</p>			

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<p><b>ADAPTED BUSINESS PROCESS REDESIGN</b></p> <p><b>NACUBO/PMI (University of Virginia, Office of Process Simplification)</b></p>	<p>Combining process improvement methodologies designed by the National Association of College and University Business Officers (Business Process Redesign) and the Project Management Institute, UVA uses a three tiered approach to continuous improvement: <b>Discover, Redesign and Realize.</b></p> <p>By targeting processes for review and improvement, Process Simplification (PS) generally seeks to: improve the quality of a service; improve the users' understanding about the service; simplify the steps required to complete a transaction; eliminate unnecessary duplication of effort; maximize the use of available resources; use the best (most cost-effective) technology available to support an activity; and improve communication across units supporting a service.</p> <p>Through the use of advisory and steering committees, process improvement efforts are identified and approved. Once approved, project-based teams are created to carry out the three phases of work.</p> <ul style="list-style-type: none"> <li>• <b>The Discover</b> phase mobilizes the project team to identify, evaluate and measure opportunities for process improvement. The team documents the current "As-Is" process and collects baseline data.</li> <li>• In the <b>Redesign</b> phase, the project team conducts an in-depth analysis of the "As-Is" processes by utilizing various tools such as benchmarking, cost benefit allowance, timings, high level project plans and resource allocation charts. This assessment leads to defining a set of possible solutions for redesigning the process for improvement.</li> <li>• In the final <b>Realize</b> phase, the selected solution is implemented through the use of various PMI tools, such as a work breakdown structure, detailed project plan and resource allocations charts. The redesigned process is continually monitored to ensure sustainability and success of the deliverable.</li> </ul> <p><a href="http://www.virginia.edu/processsimplification/">http://www.virginia.edu/processsimplification/</a></p>	<p>Applicable to both incremental and revolutionary improvement efforts.</p> <p>Appropriate for pan-University and unit based improvement initiatives.</p> <p>Relies on project-based teams comprised of stakeholder representatives and improvement champions.</p>	<p>A proven systematic approach to sustainable improvement.</p> <p>Data driven</p> <p>NACUBO process is tailored to a higher education environment.</p> <p>Provides multiple solution sets for improvement.</p>	<p>Must adapt to fit existing culture.</p> <p>May be considered complex.</p>	<p><a href="http://www.virginia.edu/processsimplification/">http://www.virginia.edu/processsimplification/</a></p>

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<b>IMPROVE (Penn State)</b>	A seven step model (the first four steps may undertaken concurrently) to analyze a service or process and then identify and implement improvement opportunities. I - Identify and Select Process for Improvement M - Map the Critical Process P - Prepare Analysis of Process Performance R - Research and Develop Possible Solutions O - Organize and Implement Improvements V - Verify and Document Results E - Evaluate and Plan for Continuous Improvement © 1994 The Pennsylvania State University	An approach for process improvement or reengineering.	A thorough, data based approach Usually a team approach.	Takes time Data may not be readily accessible.	<a href="http://www.psu.edu/president/pia/innovation/improve7.pdf">http://www.psu.edu/president/pia/innovation/improve7.pdf</a>
<b>Five Step Model for Integrating Planning, Improvement, and Assessment (Penn State)</b>	A five step planning process: 1. Where are we now? (current data) 2. Where do we want to be? (vision and goals) 3. How will we know when we get there? (measures) 4. How far do we have to go? (gap analysis) 5. How do we get there? (using improvement tools and approaches) © 2003 The Pennsylvania State University	An approach for planning that incorporates assessment data and improvement tools and approaches.	A thorough, data based approach.	Takes time Data may not be readily accessible.	<a href="http://www.psu.edu/president/pia/innovation/leading_unit_level_planning_06.pdf">http://www.psu.edu/president/pia/innovation/leading_unit_level_planning_06.pdf</a> <a href="http://www.psu.edu/president/pia/initiatives/fivestep_word_survey.pdf">http://www.psu.edu/president/pia/initiatives/fivestep_word_survey.pdf</a>
<b>Strategic Indicators (Penn State)</b>	The Strategic Indicators series is a companion to Penn State's University-level strategic plan. To measure progress toward goals and to answer the question, "How well are we doing?" Penn State has since 1999 tracked and published strategic performance indicators.	A long-term approach to track progress.	Shows trends Supports data based decision making.	Hard to define and identify data Difficult to be comprehensive at organizational level.	<a href="http://www.psu.edu/president/pia/indicators/index.htm">http://www.psu.edu/president/pia/indicators/index.htm</a>

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<b>Six Sigma</b>	<p>Six Sigma is a rigorous and a systematic methodology that utilizes information (management by facts) and statistical analysis to measure and improve a company's operational performance, practices and systems by identifying and preventing 'defects' in manufacturing and service-related processes in order to anticipate and exceed expectations of all stakeholders to accomplish effectiveness.</p> <p>Six Sigma can be understood/perceived at three levels:</p> <ol style="list-style-type: none"> <li>1. Metric: 3.4 Defects Per Million Opportunities (DPMO).</li> <li>2. Methodology: DMAIC/DFSS structured problem solving roadmap and tools.</li> <li>3. Philosophy: Reduce variation in your business and make customer-focused, data driven decisions.</li> </ol>	<p>Six Sigma is a methodology that provides businesses with the tools to improve the capability of their business processes. This increase in performance and decrease in process variation leads to defect reduction and vast improvement in profits, employee morale and quality of product.</p>	<p>Customer focused/ stakeholder involvement.</p> <p>Data driven and focus on understanding and eliminating variation.</p> <p>Develops project management skills through DMAIC methodology and reporting.</p>	<p>Sometimes very complex to initiate in that it may require a support organization to implement.</p> <p>Confusion between the metric of Six Sigma and the methodology of Six Sigma.</p>	