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**A TWO-LEVEL COMPETING VALUES FRAMEWORK TO MEASURING
NONPROFIT ORGANIZATIONAL EFFECTIVENESS**

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ABSTRACT

Theorists and researchers have contested the construct of organizational effectiveness for many years. As the study of organizational effectiveness in profit organizations is complex and muddled, studying the construct in nonprofit organizations may be even more troublesome due to their distinctive nature. This study contributes to the literature by presenting a two-level competing values approach to measuring nonprofit organizational effectiveness. The framework is comprised of two levels of analysis—management and program—which are proposed in the model of Sowa, Selden & Sandfort (2004). Moreover, the framework also captures the Competing Values Approach of Quinn and Rohrbaugh (1983). We apply our model to sports clubs and we discuss the practical implications of our framework.

Keywords: Organizational effectiveness; Competing Values Approach; nonprofit

A TWO-LEVEL COMPETING VALUES FRAMEWORK TO MEASURING NONPROFIT ORGANIZATIONAL EFFECTIVENESS

Organizational effectiveness is one of the basic constructs in management and organizational theory (Baruh & Ramalho, 2006; Goodmann & Pennings, 1980). Discovering distinguishing features between effective and ineffective organizations is the major challenge for organizational evaluation and the issue is as old as organizational research itself (Cameron, 1980; Kalliath, Bluedorn & Gillespie, 1999; Shilbury & Moore, 2006). Goodman and Pennings (1977) argued that effectiveness is central in the study of organizational analysis, and that a theory of organizations should include the study of the effectiveness construct. In spite of the extensive academic interest in the topic, there still remains confusion and controversy about what constitutes organizational effectiveness and how it should be measured. The lack of a universal definition sharpens this problem. The several alternatives to measuring organizational effectiveness reflect that organizational effectiveness means different things to different people (Forbes, 1998; Shilbury & Moore, 2006). However, if effectiveness is problematic in organizational theory, the construct seems to be even more troublesome in the nonprofit literature due to the different nature of nonprofit organizations (NPOs) (Sowa, Selden & Sandfort, 2004). After the call of academics arguing that the study of organizational effectiveness in NPOs has not received enough attention (Herman, 1990; Williams & Kindle, 1992), it has gained more interest in the nonprofit science in recent years (Forbes, 1998; Sowa et al., 2004).

The purpose of this paper is to present a methodological multidimensional platform to measure organizational effectiveness in NPOs. Our study contributes to the construct of nonprofit organizational effectiveness by providing a two-level competing values approach to measuring organizational effectiveness. The basic theoretical foundation of this study is the Competing Values Approach (CVA) of Quinn and Rohrbaugh (1981; 1983), which we expanded with two prominent dimensions proposed by Sowa et al. (2004): program effectiveness and management effectiveness. This paper describes the framework and explores the effectiveness criteria of a nonprofit organization, more specifically of a sports club, that emerge from the application of the two-level competing values approach. First, we describe the most prominent models of organizational effectiveness. Second, we review the nonprofit effectiveness literature. Third, we briefly situate the organizational effectiveness literature in sports settings. Fourth, we describe the two-level competing values approach, and finally, we apply the framework to the case of sports club.

ORGANIZATIONAL EFFECTIVENESS

The theory of organizational effectiveness has a long and messy history. Various models and theoretical approaches have been developed to assess it. Herman & Renz (1997) stated that there are as many effectiveness models as there are models of organizations. Different models with their relating criteria reflect different values and preferences of schools of thought concerning effectiveness (Walton & Dawson, 2001). The best known models are the goal models (Etzioni, 1960; Price, 1972; Scott, 1977), the system resource model (Yuchtman & Seashore, 1967), the internal process approach (Pfeffer, 1977; Steers, 1977), the multiple constituency model (Connolly, Conlon & Deutsch, 1980; Tsui, 1990; Zammuto, 1984) and the CVA (Quinn & Rohrbaugh, 1981, 1983).

The goal model is the oldest and one of the most widely applied models in the study of organizational effectiveness. There are several variations of the goal model, but most researchers accept Etzioni's definition (1960) of effectiveness as the degree to which an organization realizes its goals. The closer the output meets the goals of the organization, the more effective the organisation is (Cameron, 1980). This model assumes that organizations have clear, identifiable goals, and that goals are stable and measurable over time. However, these assumptions are often problematic (Cameron, 1980; Herman & Renz, 1999). Many researchers questioned the solely economic approach of the goal model. The (open) system resource approach (Seashore & Yuchtman, 1967; Yuchtman & Seashore, 1967) was born as an alternative to overcome the limitations of the goal models. Several variations with specific emphasis of the system approach were developed (e.g. Georgopolous & Tannenbaum, 1957; Steers, 1975). In general, the system resource model of Yuchtman and Seashore (1967) is widely accepted as the leading approach of organizational effectiveness within the system models. Effectiveness is defined here as the firm's ability to exploit its environment in the acquisition of scarce and valued resources to sustain its functioning. Organizations are effective when they succeed in acquiring the needed resources from the external environment. Cameron (1980) stated that this model is useful when there is a clear connection between the resources and the output of the organization. The internal organizational processes model is the third effectiveness approach. Advocates of this model argue that the existing models of organizational effectiveness do not include the determinants of organizational health and success. The processes by which organizations articulate preferences, perceive demands and make decisions are seen as the criteria of effectiveness (Pfeffer, 1977). Organizational effectiveness is associated with the internal characteristics of the organization, such as internal

functioning, information flow, trust, integrated systems and smooth functioning. (Cameron, 1980; Shilbury & Moore, 2006). The internal processes model is appropriate when the internal processes and procedures are linked to the outputs (Cameron, 1980). The fourth model is the (strategic) multiple constituencies approach (Connolly et al., 1980) which found a growing sense of interest during the 1970s. Connolly et al. (1980) argued that the previous models—the goal approach and the different systems approaches—are inadequate because they only use a single set of evaluative criteria. The multiple constituency model conceives effectiveness not as a single statement, but it recognizes that organizations have multiple constituents or stakeholders who evaluate effectiveness in different ways. The various constituents define the criteria to evaluate effectiveness. Similar to the system approach, many approaches of the multiple constituency model are developed throughout literature (e.g. D'Aunno, 1992; Kanter & Brinkerhoff, 1981; Tsui, 1990; Zammuto, 1984). The core idea in all models is that multiple constituents define the criteria for assessing organizational effectiveness.

Although academics acknowledge the theoretical and research advantages of these models, each approach emphasizes a limited approach to organizational effectiveness. Cameron (1981) argued that a unilateral view ignores the complexity of organizational effectiveness and that effectiveness models should capture multiple dimensions. Today, there is a wide agreement that organizational effectiveness requires a multidimensional approach (Chelladurai, 1987; Forbes, 1998; Herman, 1990; Herman & Renz, 1999; Kalliath et al., 1999; Shilbury & Moore, 2006; Sowa et al., 2004). The most rigorous and influential multidimensional approach is the CVA of Quinn and Rohrbaugh (1981; 1983).

The CVA was an attempt to identify the shared criteria that academics use to evaluate organizational effectiveness. In the first stage of their study, the purpose was to reduce Campbell's (1977) list of 30 effectiveness indices in order to remain singular non-overlapping constructs with the same level of analysis pertaining to performance. Academic experts were asked to judge the effectiveness criteria on four decision rules. In the second stage, the panel members were asked to evaluate every possible pairing between the remaining 17 criteria. Multidimensional scaling was then used to identify the basic value dimensions that academics use to conceptualize organizational effectiveness. The results suggested that individuals evaluate organizational effectiveness based on three super ordinate value continua. The first dimension is organizational focus: an internal (micro focus on the development of people in the organization) versus an external focus (macro focus on the development of the organization itself). The second dimension is related to organizational structure: a concern for

flexibility versus a concern for control. The third dimension is related to organizational outcomes: a concern for means (important processes) versus a concern for ends (final outcomes). Each dimension represents values that influence criteria used in assessing effectiveness. Each criterion in the construct of organizational effectiveness reflects various combinations of these values. The combination of the first two value continua (or 'axes'), the organizational focus and the organizational structure produces four cells. (figure 1). The human relations model has an internal focus and flexible structure. The open system model has an external focus and an emphasis on flexibility. The rational goal model places an emphasis on control and has an external focus. The internal process model has an internal focus and places an emphasis on control and stability. The combination with the third axis, means and ends, reveals that eight cells represent four basic models of organizational effectiveness. Quinn and Rohrbaugh (1983) repeated the initial exploratory study with a larger and more diverse group of organizational theorists. The criteria showed only little alteration in their spatial position and the results confirmed a model with three axes. The overall conclusion is that organizational researchers share an implicit theoretical framework about organizational effectiveness composed of three value dimensions. Moreover, the four models express different and sometimes opposite value dimensions. However, this does not imply that they are mutually exclusive. The CVA highlights that opposing values exist in organizations and that organizations embrace each dimension to some degree.

Insert Figure 1 About Here

Quinn and Spreitzer (1991) assessed the psychometric properties of two CVA instruments using the multitrait-multimethod analysis and multidimensional scaling. Both techniques provided support for the validity of the framework. Kallaith et al. (1999) validated the CVA using structural equation modelling. The results also supported the viability of the theoretical framework. Although the CVA is originally designed to measure effectiveness, the framework has been extensively used in many areas of organizational research such as organizational culture (e.g. Colyer, 2000; Muijen & al, 1999; Quinn & Spreitzer, 1991; van Muijen & Koopman, 1994), organizational climate (e.g. Patterson et al., 2005), leadership and organizational behaviour (e.g. Denison, Hooijberg & Quinn, 1995), and organizational transformations (Hooijberg & Petrock, 1993). A criticism on the CVA is that it reflects effectiveness value judgements of academics and organizational theorists. The CVA explores

how academics think about the effectiveness construct. Although Quinn (1984) argued that managers use these dimensions when evaluating social action, and although this claim receives empirical support from Rohrbaugh (1981), perceptions of effectiveness criteria among academics and managers may well diverge. Walton and Dawson (2001) explored the claim whether managers and academics share the same effectiveness construct. The results suggest that executives' perceptions of effectiveness differed strongly from those of academics. They shared one common dimension (internal versus external focus); however, they differed on the salience of that dimension, the number of underlying value dimensions and the relevance of ease of control.

NONPROFIT ORGANIZATIONAL EFFECTIVENESS

The construct of organizational effectiveness has gained interest in the nonprofit sector during the nineties (Rojas, 2000). Besides the growing academic interest in nonprofit organizations, nonprofit organizations realized that being critical in their performance is important to warrant the survival of their organizations (Rojas, 2000). In addition to the pressure of profit institutions to capture the previously considered domain of nonprofit organizations, funders of nonprofit institutions showed an increased interest in their effectiveness (Herman & Renz, 2004; Rojas, 2000). As a result, nonprofit organizations are urged to be accountable for their performances. If defining effectiveness in profit organizations is a thorny task, it might be even more difficult in nonprofit organizations which often have ambiguous goals and offer intangible services (Herman, 1990; Schmid, 2002). Moreover, the distinction between profit and nonprofit organizations questions the use of the same effectiveness criteria. Baruh & Ramalho (2006: 43) argue that “the distinction between for-profit and NPOs is deceitfully simple. The primary purpose of the former—its *raison d'être*— is ‘profit’ while NPOs have other reasons to justify their permanence building on the organization’s mission, which is the bedrock of NPOs.” Although NPOs do have financial concerns, profit making is not the goal of NPOs. Notwithstanding, Casteuble (1997) argues that they are not-for-loss either. The multidimensionality of NPOs social goals exceeds the mere financial ones, which must also not be overlooked. From the analysis of 149 scholarly publications that studied organizational effectiveness or organizational performance, Baruh & Ramalho (2006) concluded that business organizations focus mostly on economic and financial criteria, whereas NPOs have a preference for human and societal outcomes and internal social issues. The distinction between profit and nonprofit organizations seems to

reflect in the choice of effectiveness criteria. The results of studies measuring effectiveness on both types of organizations provide strong rationale to question the use of the same effectiveness criteria when evaluating organizational effectiveness of profit and nonprofit organizations.

Forbes (1998) reviewed empirical studies of nonprofit effectiveness. His conclusion is that the construct has been conceptualized in a variety of ways. Forbes also observed that recent effectiveness research has employed an emergent or social constructionist approach. Effectiveness is viewed as stakeholder judgments formed in processes of sense making. Although Herman & Renz (1999) state that little empirical work has been done to identify nonprofit effectiveness dimensions, theoretical and conceptual papers of organizational effectiveness may contribute to understanding and shaping the construct to the nature of NPOs. Drawn from the general effectiveness literature, Herman & Renz (1999) distilled six theses about nonprofit effectiveness: First, NPO effectiveness is always a matter of comparison. Second, NPO effectiveness is multidimensional. Third, boards of directors make a difference in the NPO effectiveness. Fourth, more effective NPOs are more likely to use correct management practises. Fifth, NPO effectiveness is a social construction. And sixth, program outcome indicators as measures of NPO effectiveness are limited and can be dangerous. Rojas (2000) reviewed the most important models of nonprofit organizational effectiveness. He concluded that the CVA is the most viable model for measuring organizational effectiveness among nonprofit and profit organizations. The CVA possesses instrument validity, reliability and breadth of empirical research to suggest a high degree of confidence in estimating measurements of organizational effectiveness across sectors. Recently, Sowa et al. (2004) introduced a multidimensional and integrated model of nonprofit organizational effectiveness (MIMNOE) which is founded on five principles. First, there are multiple effectiveness dimensions, with management and program effectiveness being main dimensions. Second, each primary dimension is composed of two subdimensions: capacity and outcomes. Third, researchers should collect both objective and perceptual measures of effectiveness. Fourth, the effectiveness model should allow for organizational and programmatic variations within a systematic structure. Fifth, the analytical tool should capture multiple levels of analysis and model interrelationships between the dimensions of organizational effectiveness.

Although there is no scholarly consensus about how to conceive and to measure nonprofit organizational effectiveness, some scholars (Herman, 1992; Herman & Renz, 1997) stated that organizational effectiveness is an important and meaningful construct that is

worthwhile to study. There is a need for evidence to ground the widely accepted hypotheses, such as the relation of management practices to effectiveness. Moreover, Herman & Renz (1999) stated that NPO effectiveness researchers should take the challenge to develop conceptions and indicators that ground the distinctiveness of NPOs. Baruh & Ramalho (2006) argued that new approaches highlight new possible criteria for evaluation effectiveness.

ORGANIZATIONAL EFFECTIVENESS IN SPORTS SETTINGS

Organizational effectiveness has also been studied in sports settings, especially in National Sport Organizations (NSOs). Most researchers subscribed to a multidimensional construct of organizational effectiveness. Frisby (1986) studied the relationship between the goal and systems model in Canadian National Sport Governing Bodies. The moderate correlations between the goal and system models suggest that the two models measure separate aspects of effectiveness and that they should be combined in order to more adequately represent organizational effectiveness. Chelladurai (1987) presented the input-throughput-output cycle which was based on an open systems view of organizations. This framework integrated several models of effectiveness: the goal, system resources and process model. The focus was, respectively, on the output, input and throughput sectors of an organization. The multiple constituencies approach represented the dependency on the various interest groups. Empirical studies supported the application of this framework (Chelladurai, Szyszlo & Haggerty, 1987; Koski, 1995). Moreover, Chelladurai et al. (1987) found that both volunteer and professional administrators perceived effectiveness as a multidimensional construct. Some studies studied NSO effectiveness using the multiple constituencies approach as the theoretical focus (Chelladurai & Haggerty, 1991; Papadimitriou & Taylor, 2000). While the study of Chelladurai & Haggerty (1991) focused on process effectiveness between volunteer and professional NSO administrators, the goal of Papadimitriou & Taylor's study (2000) was to identify the dimensional structure of effectiveness criteria, applying the multiple constituency model. The five-factor structure—caliber of board and external liaisons, interest in athletes, internal procedures, long-term planning and sports science support—supported the multi-dimensional nature of the effectiveness construct. Karteroliotis & Papadimitriou (2004) examined the factorial validity of the five-factor structure. Psychometric evidence suggested that the scale is valid. Although Chelladurai & Haggerty (1991) only found partial support that voluntary and professional administrative members may have different effectiveness perceptions, Papadimitriou & Taylor (2000) concluded that different constituent groups

associated with Hellenic NSOs hold different perceptions of effectiveness. More recently, Shilbury & Moore (2006) addressed the issue in Australian NSOs using the CVA as theoretical framework. They operationalized the effectiveness dimensions of the CVA using semi-structured interviews and pilot testing by panel experts. The psychometric properties of the CVA scales were tested using separate principal components analyses, structural equation modeling and confirmatory factor analysis. The high correlations between the four quadrants of the CVA suggested a high degree of multicollinearity among the four latent variables. Therefore, a model with ten manifest factors loading on four latent variables was not supported. The data suggested a model with the ten manifest factors that loaded directly on and contributed to organizational effectiveness as a latent construct.

Our review of the effectiveness literature in sports settings reveals that research reporting the use of the CVA as theoretical framework is limited and that research focusing on developing and measuring effectiveness in sports clubs is scarce. Most studies employed the multiple constituency approach as theoretical framework (e.g. Chelladurai & Haggerty, 1991; Papadimitriou & Taylor, 2000; Weese, 1997) and developed an instrument to measure organizational effectiveness in NSOs (e.g. Chelladurai et al., 1987; Frisby, 1986; Shilbury & Moore, 2006). However, Shilbury & Moore (2006) stated that the multiple constituencies approach is the precursor to the CVA. Moreover, if we consider the research sample, we identified only one study that studied organizational effectiveness in sports clubs (Koski, 1995). Notwithstanding, the majority of sports clubs are voluntary nonprofit organizations; Koski (1995) stated that they are often disregarded by organizational theorists. This inattention seems groundless, as voluntary nonprofit sports clubs also cannot evade the pressure for handling a professional approach in order to ensure accountability and effectiveness. Moreover, the voluntary nonprofit sports sector plays a significant economic role (Davies, 2004). Therefore, we apply our two-level competing values approach on the case of sports clubs and we describe the development of a two-level multidimensional measure of organizational effectiveness.

A TWO-LEVEL COMPETING VALUES APPROACH

The CVA has been extensively applied in organizational effectiveness research as in many other areas of organizational research because the model is comprehensible and easy to apply. Moreover, the essence of the CVA that organizational effectiveness is a multidimensional construct is reflected in the embrace of multiple models (Lysons, Hatherly, & Mitchell, 1998). As nonprofit academics also subscribe this fundamental multidimensional perspective, the CVA might be an applicable model for nonprofit organizational research. Quinn and Rohrbaugh (1981) indicated that they build a framework that would apply to all organizations, from profit to nonprofit. Although the CVA subscribes a general paradigm of organizational effectiveness, Quinn and Rohrbaugh stated that the operationalization of the criteria may vary from organization to organization. This rationale is supported by Baruh and Ramalho (2006) who found that business and nonprofit organizations prefer different effectiveness criteria. They also remarked that business and nonprofit organizational effectiveness are not such differentiated and distinct constructs, as both are organizations that might be conceived in an organizational continuum. Rather, the operational definition of the construct in both types of organizations is distinctive. Campbell acknowledged this already in 1977, saying that “organizational effectiveness is as a construct that has no necessary and sufficient operational definition but that constitutes a model or theory of what organizational effectiveness is” (Campbell, 1977, p. 18). Applying this rationale, the CVA as a multidimensional construct of effectiveness that covers four prominent models in NPOs is valid and grounds a general paradigm of organizational effectiveness. However, the distinction between for-profit and NPOs and the difference in emphasis in organizational effectiveness criteria supports the thesis to develop models that are fully adapted to the nature of NPOs. Therefore, we argue that the operationalisation of the existing CVA, which is reflected in the choice of effectiveness criteria within the four models, may not fully encompass the specific features of many nonprofit organizations. The results of Shilbury and Moore’s (2006) study suggest that this might be the case, as the construction of a psychometrically sound scale based on the CVA and its effectiveness criteria for measuring the organizational effectiveness in National Sport Organizations showed some difficulties.

We take the distinctions between profit and nonprofit organizations and their distinctiveness in effectiveness criteria into consideration in two important ways: first, we extend the CVA conceptually with two levels of analysis, management and program, and second, we argue that effectiveness criteria should reflect the level of analysis, the model and the features of NPOs.

Sowa and colleagues (2004), who presented their MIMNOE model to measuring organizational effectiveness in NPOs, addressed the idea that nonprofit organizational effectiveness should discern between levels and units of analysis in measuring organizational effectiveness.

They argued that:

Organizations have multiple levels that together form the whole that is the organization. With this framework, we argue that the primary levels encompassing organizations are their management core and the programs that they deliver, and, therefore, we posit that organizational effectiveness comprises two primary and distinct levels: management and program (Sowa et al., 2004, p. 714).

We agree with the premise that nonprofit organizational effectiveness should distinguish between the effectiveness of management operations and the effectiveness of the programs that the organization delivers. NPO effectiveness is more than only the outcomes of the programs or the functioning of management structures. The effectiveness of the full organization should be considered: from how well the organization operates to the effect on the end users. Therefore, our model adopts the two levels proposed by Sowa and colleagues (2004): management and program.

Sowa and colleagues (2004, p. 714) refer to management as “organizational and management characteristics—those characteristics that describe an organization and the actions of managers within it.” Because (volunteer) board members are extremely important for the functioning of the nonprofit organization and for the translation of inputs into outputs, management effectiveness plays an essential role in a nonprofit organizational effectiveness framework. Moreover, there is an emerging number of nonprofit studies that found a relationship between board effectiveness and organizational effectiveness (e.g. Brown, 2005; Herman & Renz, 1998; Herman & Renz, 2000; Jackson & Holland, 1998). If nonprofit boards do matter to enhance organizational effectiveness, an overall nonprofit organizational effectiveness framework should also incorporate effectiveness dimensions that reflect management practices of nonprofit boards.

Therefore, we argue that an overall organizational effectiveness framework should recognize the importance of effectiveness dimensions on management level.

Sowa and colleagues (2004, p. 714) refer to program as “the specific service or intervention provided by the organization”. Although it seems evident that an organizational effectiveness framework in nonprofit organizations consists of a component that measures the effectiveness of the program outcomes or the services it provides, previous frameworks could not fully claim to make a distinction between levels and units of analysis (except the MIMNOE). For example, Patti’s (1985; 1987) model, which was developed to understand effectiveness in human service agencies, identified service effectiveness as one of four performance dimensions. Patti admitted that service effectiveness is only a part of organizational performance. Cho (2007), arguing that the terms ‘service effectiveness’ and ‘program effectiveness’ are used interchangeably in social welfare organizations, stated that there is a lack of evidence to support Patti’s proposition of service effectiveness. In a study on health and welfare service providers, Herman and Renz (2004) noticed that the increased interest in nonprofit organizational effectiveness by governments and other funders “ has focused on improving the measurement and tracking of program outcomes and on program evaluation rather than on more general organizational effectiveness” (p. 694). The authors confronted the field with the conceptual challenge: “Is program effectiveness the same as or an acceptable substitute for organizational effectiveness” (p. 694). We subscribe an earlier statement of Herman and Renz (1998) that “program outcomes evaluations do not include all the dimensions that many stakeholders regard as relevant to overall organizational effectiveness” (p. 24). As a result, we endorse the thesis that program effectiveness is neither the same, nor an acceptable substitute for organizational effectiveness. Similarly, the assumption that board effectiveness is related to organizational effectiveness implicitly supposes that board effectiveness is neither the same, nor an acceptable substitute for organizational effectiveness. We agree with the thesis that “an effective organization needs to operate effectively at both the management and program levels” (Sowa et al., 2004, p. 715). Our two-level competing values framework supports the basic idea that program effectiveness is an important and an essential part of NPO effectiveness. By emphasizing the program level, we acknowledge that the mission of NPOs is fundamentally different between profit and nonprofit organizations. Moreover, the mission of the NPO will manifest itself in the programs or services. By adding the management level to our framework, we acknowledge the relationship between board effectiveness and organizational effectiveness.

Therefore, we propose the CVA to measuring effectiveness at the management and program level (figure 2). The two-level competing values framework can be applied on different types of NPOs. Nonprofit organizations should make a distinction between management and program level and then apply the CVA at each level. Appropriate criteria should be generated on each level and within the four domains of the CVA.

Insert Figure 2 About Here

THE TWO-LEVEL COMPETING VALUES APPROACH APPLIED TO SPORTS CLUBS

First, we carried out an extensive review of the sports effectiveness literature. We identified all relevant articles in sports management journals (Journal of Sport Management, European Sport Management Quarterly, International Journal of Sport Management, Sport Management Review) and articles on sport and effectiveness in general management. We identified effectiveness criteria that specified our frame of reference and that were applicable across a range of sports clubs. Criteria were generated on two levels of analysis: management and program, within the four domains of the CVA. Where no fitting criteria could be found in the literature, we identified an appropriate one. Second, the authors discussed the effectiveness criteria with four sports practitioners from different sports clubs. This was an iterative process and after a large number of meetings a consensus was achieved about the suitable criteria. The goal was to identify the most appropriate effectiveness criteria. Therefore, we did not attempt to generate an equal number of criteria on each level and within each model. This procedure resulted in the identification of 13 management and 10 program criteria, which could be classified within the four competing values models. Third, fourteen semi-structured interviews with sports administrators from various sports clubs were conducted to ensure that the selected criteria of effectiveness was perceived as best suited to measure organizational effectiveness in sports clubs and to identify deficiencies in the dimension pool. First, respondents were asked to define and explain effectiveness of their sports club. Second, respondents were asked to judge the two-level competing values framework.

The main questions addressed were: ‘does the two-level competing values approach adequately reflect the effectiveness construct in sports clubs and are the identified pool of criteria suitable for measuring organizational effectiveness in sports clubs?’ From the open interview section, analysis revealed that sports administrators judged the effectiveness of their sports club on two levels: one that is associated with the organizational features and one that is associated with the practice of sports. The semi-structured section revealed that all respondents supported the two-level competing values approach. Sport administrators acknowledged the management and program level and the four competing values models within each level. However, concerning the selected effectiveness criteria, the majority of the sports administrators doubted that flexibility was a suitable effectiveness criterion for sports clubs. Although the respondents acknowledged that being flexible and being ready for change might help to obtain the needed resources, it is not a necessary means to be effective in acquiring resources. Because most respondents had doubts concerning flexibility as a criterion of effectiveness, we omitted this criterion from further analysis. The result is a Two-level competing values approach with 22 effectiveness criteria, 12 that are categorized on management level and 10 that are categorized on program level.

Management level

The management level refers to the characteristics that deal with organizational issues and management actions of the administrators and assistants (such as coaches) within the organization.

Rational goal model. The rational goal model in the management level refers to the attainment of objectives or goals that are not related to the goals of the program level. The identified effectiveness criteria in this model are:

- Financial goal: the extent of financial security, the extent to which the revenues meet the expenditures.
- Social/entertainment goal: the extent to which the organization provides entertainment activities.
- Social/moral goal: refers to social and moral citizenship, the extent to which the organization attaches importance to social and moral citizenship of the administrators and assistants.

Open systems model. The open systems model in the management level refers to the extent to which the organization acquires resources to warrant the working of the organization. The identified effectiveness criteria in this model are:

- Financial resources: the extent to which the organization obtains financial resources to warrant the working of the organization.
- Human resources: the extent to which the organization acquires administrators and assistants to warrant the functioning of the organization.
- Infrastructure: the extent to which the organization acquires sports infrastructure to warrant the practice of the sport.
- Sport equipment: the extent to which the organization acquires sports equipment to warrant the practice of the sport.

Human relations model. The human relations model in the management level refers to the extent to which the organization is concerned with the well-being and development of the administrators and assistants. The identified effectiveness criteria in this model are:

- Atmosphere: the extent of a healthy spirit within the organization.
- Education: the extent to which the organization attaches importance to the education and development of administrators and assistants.

Internal process model. The internal process model in the management level refers to the extent to which the internal processes such as stability, communication and information flow are organized within the organization. The identified effectiveness criteria in this model are:

- Stability: the extent to which the organization is capable of retaining administrators and assistants.
- Communication flow: the extent of how well communication occurs between administrators and assistants.
- Information flow: the extent of sharing information between administrators and assistants.

Program level

The program level refers to the characteristics that deal with the services or programs provided by the organization.

Rational goal model. The rational goal model in the program level refers to the attainment of objectives or goals that are related to the practice of sports. The identified effectiveness criteria in this model are:

- Performance on the field: the extent to which the team, athletes or sportsmen achieves success; the extent to which the team, athletes or sportsmen achieve the performance goals on the field.
- Recreational goal: refers to the extent of pleasure, amusement associated with sport practice.
- Social/moral goal: refers to social and moral citizenship exhibited by members of the team, athletes or sportsmen; the extent to which the organization attaches importance to social and moral citizenship of team members, athletes or sportsmen.
- Safety: the extent to which the sport is practiced in a safe way.

Open systems model. The open systems model in the program level refers to the extent to which the organization acquires resources to warrant the practice of the sport. The identified effectiveness criteria in this model are:

- Human resources: the extent to which the organization acquires or keeps team members, athletes or sportsmen to warrant the practice of the sport.

Human relations model. The human relations model in the program level refers to the extent to which the organization is concerned with the well-being and development of the team members, athletes or sportsmen. The identified effectiveness criteria in this model are:

- Satisfaction: the extent to which team members, athletes or sportsmen are satisfied.
- Atmosphere: the extent of a healthy spirit between team members, athletes or sportsmen.
- Education: the extent to which the organization attaches importance to the sportive education of team members, athletes or sportsmen.

Internal process model. The internal process model in the program level refers to the extent to which the internal processes such as communication and information flow are organized within the team, between athletes or sportsmen. The identified effectiveness criteria in this model are:

- Communication flow: the extent of how well communication occurs between team members, athletes or sportsmen.
- Information flow: the extent of sharing of information between team members, athletes or sportsmen.

In this section, we described the process of identifying appropriate effectiveness criteria for sports clubs based on the two-level competing values theoretical framework. The application offers promising perspectives to empirically test the model¹. However, the two-level competing values approach is also applicable in various nonprofit organizations. Although many of the criteria that we identified are sports club specific, especially those on program level, the theoretical framework allows for identifying effectiveness criteria that reflect the nature of the nonprofit organizations under investigation.

DISCUSSION

Researchers who study organizational issues should select a theoretical framework that is appropriate for the kind of organization they study. The voluntary nature of NPOs justifies a split between management and program level. Our framework offers another look at how to assess nonprofit organizational effectiveness. Although the CVA is a viable framework to assess organizational effectiveness, we believe that a two-level framework of the CVA better captures the distinctiveness of NPOs.

First, we argued that profit and nonprofit organizations have different motives to operate and, therefore, that they should be approached differently. Managers and boards of directors of profit organizations are charged to increase financial gain, are charged to create shareholder wealth or, in more owner controlled firms, are charged to increase profit as a means for achieving more independence for the owner. Although nonprofit organizations are more and more urged to account for their finances, they are first and foremost motivated and driven by their mission.

¹ The authors of this paper are empirically testing the model at time of uploading the paper on the EGOS website.

From a goal perspective, one would argue that NPO effectiveness is the extent to which the organization realizes its mission. Besides the difficulties to assess the extent of mission accomplishment, one could question whether an organization that reaches its mission but in the end cannot survive due to a financial deficit is really effective. Our two-level competing values framework takes the value driven motives of nonprofit organizations and the pressure for being accountable for their performances and good governance into consideration by the layer of program and management.

Second, our effectiveness approach of two levels replies to the conceptual challenge “Is program effectiveness the same as or an acceptable substitute for organizational effectiveness?” (Herman & Renz, 2004, p. 694). Our two layers indicate that it is not the same. We argue that program effectiveness does not include all the relevant dimensions of overall organizational effectiveness. Nonprofit organizations may be assessed successfully on the programs they deliver and, simultaneously, having lousy management practices. As a result, we endorse the thesis that program effectiveness is neither the same, nor an acceptable substitute for organizational effectiveness. Similarly, assessing management effectiveness in nonprofit organizations is insufficient to equate with organizational effectiveness. This proposition supports the implicit assumption of studies addressing the relationship between board effectiveness and organizational effectiveness that board effectiveness is not the same as organizational effectiveness. If board effectiveness is not a substitute for organizational effectiveness, we might suppose that effectiveness measured at management level is neither the same as organizational effectiveness. Our propositions indicate that our level of analysis is very clear: the organizational level. In order to avoid fallacies or confusions, researchers should stress the level of analysis of their study. We clearly stated that our NPO effectiveness framework consists of two levels: management and program. For example, Cho (2007), who reviewed 24 empirical studies that examined the relationship between intraorganizational factors and effectiveness in human service organizations, categorized effectiveness research into four levels of effectiveness: people, service, program or organization. Too often, researchers ignored to identify the level of analysis and much of the effectiveness research is, erroneously, categorized under the umbrella of organizational effectiveness. Our two-level competing values framework is designed to measuring effectiveness at the organizational level and not at the individual or meso-level.

Third, besides the level of analysis problem, probably the most difficult question is defining organizational effectiveness. One of the reasons that effectiveness research is scattered and muddled is the paucity of clear definitions. The majority of effectiveness

research had no clear theoretical nor operational definition (Shenhav et al., 1994). It is not unusual to find in the same paper the use of concepts such as ‘effectiveness’ and ‘performance’ interchangeably. Shenhav et al. (1994) also found that, even the concept is defined, identical indicators represent alternative concepts simultaneously. They argued that the existence of multiple paradigms of normal science causes confusion in the conceptualization of terms such as ‘effectiveness’, ‘performance’, ‘efficiency’ and ‘productivity’. However, regardless paradigmatic differences, it is important that researchers identify how they have operationalized and measured the construct in order to understand the abstract idea of effectiveness. Our two-level competing values framework endorses a general paradigm of organizational effectiveness, i.e. that the construct is multidimensional. We subscribe the general definition of Quinn and Rohrbaugh (1981): “organizational effectiveness is a value-based judgment about the performance of an organization” (p. 138).

Fourth, we suggest that the two-level competing values approach is applicable on a various set of nonprofit and voluntary organizations. Our framework offers a theoretical perspective to look at NPO effectiveness. The next step is the operationalization of our conceptual model. In this paper, we proposed applicable effectiveness criteria to measuring the four basic models of the CVA on the two layers management and program in sports clubs. We suggest that researchers should select those criteria that are most relevant for their organization and that are embraced within the four basic models of the CVA on each level. Moreover, researchers should select the most appropriate type of measure - perceptual or objective or a combination of both - to capture the criterion, and as a result, the construct. The kind of measure is often dependent on the access to data or persons. Choices should also be made concerning the sampling strategy of the program level. As most NPOs have several programs or services, researchers should clarify how many and which programs they will examine. Also an important issue are the respondents for data collection. To avoid common method bias, bias that is attributed to the measurement method rather than the constructs of interest, data should be gathered from several respondents and from several sources. Our two-level competing values framework allows for perceptual and objective types of measure.

Cameron and Quinn (2006) stated that no one framework is comprehensive and that there is no such a thing as good or wrong. Frameworks should be valid for the organization one studies and should integrate the dimensions that are relevant for the organization. However, starting from a theoretical framework or focus is necessary to include the key dimensions. This theoretical foundation can help researchers to narrow and focus their search for the most appropriate effectiveness dimensions. This paper presented a two-level

competing values framework to measuring organizational effectiveness in NPOs. We suggested that the CVA is a useful tool to measuring NPO effectiveness if a distinction is made between management and program level.

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FIGURE 1

The Competing Values Approach.

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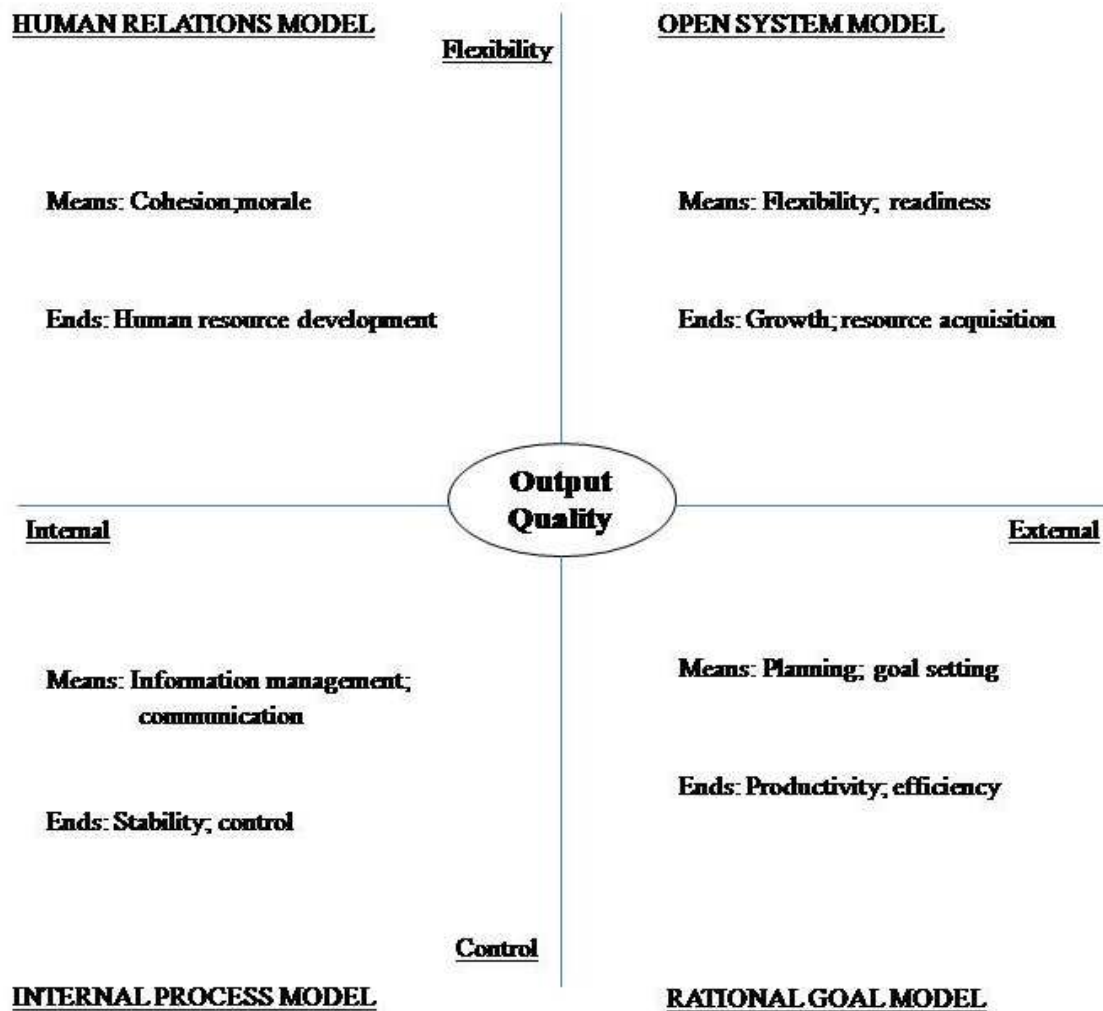


FIGURE 2

A Two-level Competing Values Approach to Measuring Nonprofit Organizational Effectiveness

