Communalities and Distinctions in the Measurement of Organizational Performance and Effectiveness Across For-Profit and Nonprofit Sectors

Yehuda Baruch
University East Anglia

Nelson Ramalho
Instituto Superior Ciencias Trabalho e Empresa

The article analyzes the way academic scholarly works measure organizational outcomes, commonly reported as either organizational effectiveness or organizational performance (OEP). From the analysis of 149 scholarly publications published in the past decade, focusing on business organizations (100), on nonprofit organizations (21), and a mix of both (28), a set of criteria emerged. Overlapping common ground issues found for all the sectors include (a) efficiency and/or productivity, (b) growth and/or market share, (c) customer orientation, and (d) quality. Further measures (e.g., public image and/or reputation, social performance) fit specific sectors. A multivariate analysis showed three and two configurations of criteria for business and not-for-profit research, respectively. Results suggest a set of accepted, multidimensional, and universal criteria for measuring OEP. In choosing criteria for future studies, we recommend adopting such common ground, backed up by specific criteria when a certain sector is unique, to reflect convergence and divergence in OEP research.

Keywords: *organizational effectiveness; organizational performance; nonprofit; not-for-profit; cluster analysis*

The construct of organizational effectiveness and performance (OEP) is at the very core of management and organizational theory, with scholars considering it the ultimate variable in empirical studies (e.g., Cameron, 1998; Walton & Dawson, 2001). Notwithstanding the long research course and the fundamental interest in this subject, scholars tend to preclude a cumulative body of knowledge, adopting an ab initio or "from-the-scratch" approach toward the subject, that is, many papers treat the subject as if almost nothing relevant has been attained previously. There are some clear motives (and hidden ones) behind such a position; however, this ab initio approach in OEP studies is, for our concern, detrimental to organizational science.

Nonprofit and Voluntary Sector Quarterly, vol. 35, no. 1, March 2006 39-65
DOI: 10.1177/0899764005282468

A clear example of this state of affairs comes from terminology confusion that plagues OEP literature and is concomitantly mushrooming popular management with buzzwords that actually are redundant to OEP. Another issue is the persistent unidimensional view of OEP, and the considerable number of studies conceiving OEP as a mere economic-financial variable.

This ab initio approach is visible in for-profit (B) and nonprofit (NPO) effectiveness and performance studies. It is unclear whether these are (or should be) independent subjects and whether they are converging or diverging. A comparative analysis between operational definitions of OEP in empirical papers exclusively focusing on for-profit organizations versus papers focusing on NPO may shed a light on this important issue. In addition, some studies addressed for-profit and NPO (the mixed sample = Mx) showing the potential of building on both lines of research.

The aim of the current study is twofold: first, we intend to look for common ground and distinctive features in OEP measurement among for-profit and NPO effectiveness and performance. Second, we use this to support the development of a cumulative knowledge in OEP research as a starting point to create convergence in OEP studies and, thus, overcome possible pitfalls in noncumulative OEP literature, challenging the current silence around the issue of communalities and distinctions between for-profit and nonprofit OEP especially as a new emergent approach to OEP is highlighting its social construed, evolving nature and context specific dependency (Forbes, 1998).

THEORETICAL FRAMEWORK

OEP literature reflects a long research path, applying a multiplicity of research traditions that have been evolving almost independently within this field of study (see Shenhav, Shrum, & Alon, 1994; Steers, 1975). These signs comprehend an assortment of competing theoretical perspectives for the quest of the "one best way" to identify or measure OEP (and at a different level, how to gain OEP). However, many conflicting perspectives were latent long ago in the literature—for example, in the very beginning of *The Principles of Scientific Management*, Taylor (1911) presented an ecological argument to call attention to the need for more rationality and efficiency in the management of resources. Notwithstanding, the economic-rational approach opens a way to the "social view of OEP," as a reaction to insufficiencies felt in the "economic view of OEP" (Morin, Savoie, & Beaudin, 1994). This debate can be traced back to Mary Parker Follet's views of conflict solutions, and Whiting Williams's hands-on approach to organizational behavior (Wren, 1994), and even deeper into the discussion of the human nature most visible in the Hobbes-Rousseau opposing theses (Cranston & Peters, 1972).

The course of such dialectics drove the field to a state of theoretic complexity as well as confusion, with several credited scholars advocating the abandonment of all studies in OE because of the lack of validity of the

construct (e.g., Bluedorn, 1980; Goodman, Atkin, & Schoorman, 1983; Hannan & Freeman, 1977). Many of the reasons underlying such an appeal were addressed by quasi-multidimensional or multidimensional models of OEP (e.g., the Balanced Scorecards by Kaplan & Norton, 1992, 1996; Maisel, 1992, 2001; the integrative model by Morin et al., 1994; Savoie & Morin, 2000; competing values framework by Quinn, 1988; Quinn & Rohrbaugh, 1981, 1983; socioeconomic approach by J. Morin, 1984; Savall, 1975; Savall, Zardet, & Bonnet, 2000).

A clear barrier to reaching a consensus on OEP is at the terminology level—what is it that we mean by the terms *effectiveness* or *performance* in the organizational context. Going beyond the linguistic, we should bear in mind that organizations are established to fulfill aims. The nature of what is perceived as OE or OP sets the direction for organizational strategy and practice. Thus the argument about what is OEP is broader than the definition of the construct. Our analysis and discussion, then, reflect terminology and substance issues.

TERMINOLOGY ISSUES

Synonyms flourish within the literature of OEP. Glunk and Wilderom (1999), Morin et al. (1994), and Pritchard (1992) have identified the following terms to designate organizational outcomes: *effectiveness*, *performance, productivity*, *efficiency*, *health*, *excellence*, *quality*, *competitiveness*, or *success*. In fact, the mere use of synonyms should not constitute a barrier per se to OEP research, were they explicitly accepted as such (although this would break the parsimony principle). The problem lies in the implicit conceptual structure that scholars and managers do with such apparent synonyms.

Some scholars have used OE and OP interchangeably as valid labels for *organizational outcomes* (e.g., Burke & Litwin, 1992; Sellani, 1994; Sutton, 1999; Werther, Kerr, & Wright, 1995). Others preferred to distinguish these constructs either attributing to effectiveness a more perceptive measure while performance would be a more objective one (e.g., McCabe & Dutton, 1993), or by attributing economic and market measures to performance while noneconomic or "stakeholder" measures to effectiveness (e.g., Hart & Quinn, 1993), or by attributing different degrees of comprehensiveness. For example, Arrington, Gautam, and McCabe (1995) saw "performance" as a broader concept than effectiveness, comprehending other concepts such as efficiency, productivity, or quality, while Goddard and Powell (1994) and Sink, Tuttle, and DeVries (1984) proposed the opposite.

Other terminological issues that plague empirical OEP studies have to do with the variety of operational definitions of OEP. In a literature review of 17 OE perspectives, Steers (1975) identified as many as 14 OEP criteria (appearing at least twice in the set). Claiming to conduct a comprehensive review of OEP literature, Campbell (1977) identified 30 of such criteria although 13 were later considered unsuitable (Quinn & Rohrbaugh, 1983). Later, Robertson and Seneviratne (1995) identified 13 organizational performance criteria within a review of 47 papers. The pattern is clear: OEP is to be operationalized

through a multiplicity of criteria. In fact, research shows that accounting-based measures and market-based financial measures do not correlate (Meyer & O'Shaughnessy, 1993) excluding the possibility of looking to a single criterion as a proxy of the remaining ones.

Using multiple criteria to operationalize OEP might only indicate polysemy, that is, a semantic diversity attached to the same word. Nevertheless, scholars tend to apply or advocate in favor of multicriteria operational definitions for OEP (e.g., Connolly, Conlon, & Deutsch, 1980; Eccles, 1991; Hitt, 1988; Kaplan & Norton, 1992; Kraft, Jauch, & Boatwright, 1996; Lewin & Minton, 1986; Provost & Leddick, 1993; Siciliano, 1997; Venkatraman & Ramanujam, 1986; Wilderom, Glunk, & Maslowski, 2000, to name a few).

However, there is lack of consensus about what constitutes acceptable criteria, and if there are different sets of criteria, what factors may be relevant for each circumstances. This issue leads us from the terminology argument to the essence of the nature of OEP.

ORGANIZATIONAL PURPOSES

Very early in the study of OEP, organizations were treated as pure mechanistic entities, whose existence was purposively to attain goals, especially—if not exclusively—of economic nature. This perspective was labeled either as "rational goal approach" (Campbell, 1977; Miles, 1980; Scott, 1987) or as "purposively rational approach" (Pfeffer, 1982) and had its roots in assumptions that Bateson (1972) summed up as the "conscious [purposeful] I."

Rational goal approach was criticized for several limitations. Defining organizations as instruments of purpose leads one to question if (a) organizational purposes can be portrayed as unitary, (b) if multiple purposes are reliably consistent, (c) how extensively purposes are shared among organizational members, or even (d) if purpose antedates activities (Sutton, 1999, p. 339). Simon's (1957) "bounded rationality" suffices to discard many of the core assumptions of the goal approach. Sustaining on Simon's work, Cyert and March (1963) demonstrated that criteria and referent selection was biased by decision makers because of a need for simplification and selective perception processes. Moreover, Miles (1980) called attention to the fact that the mere use of the degree of goal attainment as an OEP criterion is misleading because a given organization might be aiming at erroneous goals. In such a case, attaining these goals would not necessarily lead to a high OEP, but perhaps even to counterproductive outcomes. Therefore, the rational goal approach was perceived to be flawed (Meyer & Gupta, 1994).

OEP study necessarily needs to consider the external social environment using criteria such as "customer satisfaction" (Connolly et al., 1980). This may be dependent on the nature of the organization or the sector (i.e., B or NPO). Therefore, the degree to which the organization could be effective depends mostly on the perceived impact it has on some or all of its stakeholders. Of

course, some of them will attach differing degrees of importance to various criteria (Zammuto, 1984).

What is at stake is the understanding of the broader impact an organization has on every single entity within its direct or indirect sphere of influence. These may be individuals or collective entities (such as customers, employees, managers, shareholders, suppliers, regulatory entities, financial institutions, unions, local civil associations, and society at large). In some cases—NPOs—these relations are quite visible: Organizations that claim to have a social responsibility goal as a means to get public or private funding, or that heavily rely on voluntary work (such as a charity), are particularly sensitive to the issue of "legitimacy" (Morin et al., 1994). Concomitant to these developments, and as a corollary of this view of organizations, multidimensional models like the competing values framework (Quinn & Rohrbaugh, 1983), the integrative model (Morin, cited in Morin et al., 1994) or the Balanced Scorecard (Kaplan & Norton, 1992) emerged.

However, multiple criteria like these might still be seen as unidimensional as far as they are sequenced into a causal chain (e.g., Kushner & Poole, 1996). Herman and Renz's (1997) results apparently support this unidimensional view of the OEP construct because several OEP criteria factorialized into a single factor with high internal consistency (Cronbach's alpha = .85). In this case, the authors attributed this result to the respondents' desire to show consistency; however, the doubt remains.

FOR-PROFIT VERSUS NONPROFIT EFFECTIVENESS STUDIES

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 (Sandler & Hudson, 1998).

Generating profits is not a goal for NPOs (Henderson, Chase, & Woodson, 2002). However, NPOs do have financial concerns and can make profits, which may be retained for salaries or reinvestment (Mellon, 1998; Sandler & Hudson, 1998). This led Mellon (1998) to prefer the denomination *not for profit* instead of *nonprofit* being this secondary to the settled issue of the particular concern NPOs have with multidimensionality of goals that overshadows the mere economic-financial ones. Notwithstanding, the financial issues must not be overlooked as Casteuble (1997) reported a current commonplace sentence: "we might be not-for-profit but we are not-for-loss either" that converges with Harrison and Sexton's (2004) view that profitability might be considered a central factor for long-term sustainability in NPO health care. Resources strain added to NPO growth in size and influence led to heightened concern with the issue of accountability (Bargerstock, 2000; Kearns, 1994), and even to seek new sources of income through sale of services and especially merchandising (Kotler & Andreasen, 1996).

These positionings reflect the organizational evolution of the NPO sector. In early NPO history—starting as charities—traditional sources of income were dependent on government subsidies and corporate or private giving. In this situation, donors and the public at large can perceive "profit"—even when presented as "surplus"—as a sign of inability to use resources optimally. Either the organization needed the amount raised but was unable to supply the intended services or was being too greedy or simply did not know what it was asking funding for. Either way, the impression would certainly harm the organization's reputation and eventually jeopardize its capacity of fund-raising and permanence. The above supports an argument for convergence, as NPO and B are "organizations." Moreover, Acar, Aupperle, and Lowy (2001) proposed rightfully that NPO and B are only extremes on a continuum ranging from "privately-held for-profit" to "non-revenue generating NPO" passing through "publicly-traded for-profit," "regulated for-profit" and "revenue-generating NPO."

Because of their eminently social purpose, NPOs have a distinctive set of goals linked to a wide range of community welfare and support functions. Mission statement—following closely the religious significance of "mission"—is not an option for better NPO management but a raison d'être. Early links between religion and NPOs such as charities are conspicuous. As Vinten (1996) noticed, charity is an institutional figure in most ancient and modern societies being consecrated by all major religions like Hindu, Jewish, Christian, and Islam. Because of its clear societal relevance it is not surprising that studying NPO effectiveness might be considered more difficult than studying for-profit organizational effectiveness (Schmid, 2002).

However, even in one of the world financial market strongholds such as the United States, political institutions like the U.S. Congress have recently promoted legislation to give tax incentives for companies "investing in people and communities instead of downsizing for improving short-term profitability," the so-called R Corp. or Responsible Corporation (Steadman & Green, 1997, p. 142). The issue is fundamentally—although not exclusively—of ideological nature. Either shareholder profit tends to be taken within a free capital market system as an asset in itself that benefits the whole of society or conversely, shareholder profit per se tends to be harshly criticized elsewhere (Fox, 1996).

Independent of the goals that any CEO, employee, politician, or analyst might find in a given company or NPO, they are all organizations. This is their most fundamental common denominator. OEP aims at the organizational level, be it named "performance," "success," "excellence," "goodness," or anything else, it will still have to do with the measure of the magnitude of the effect or impact the organization has over whatever object one might want to analyze, the employee, the employee's family, the competition, the community, the market, the society at large.

Therefore, there is no reason to consider that differences between for-profit and NPOs are so wide that OEP study must be considered a fundamentally

different construct for each. To be "for profit" does not imply to be "for profit only." In Japan, for example, market share is much more important than profitability (Morita, 1994). The same follows for the NPO case. Comparing for-profit and NPO hospitals, West (1998) found no differences as to questions pertaining to change readiness, quality improvement, and cost management. Understanding this situation has led scholars to state that OEP empiric-based instruments that "cut across multiple industries from both the private and public sectors" are missing and are needed (Gilbert & Parhizgari, 2000, p. 47).

Disagreement as to the semantic space and relations of such terms is steaming up as scholars make semantic choices mostly in an implicit manner. Thus, a more insidious and enduring barrier to researchers and practitioners arises from such a state of affairs: the failure to build cumulative knowledge.

CUMULATIVE KNOWLEDGE

Building cumulatively on previous work, either in continuity or disruption, seems to be a required feature for scientific knowledge. First, this is a part of the learning process and open scrutiny of theories and theses. Moreover, it constitutes a part of the scientific ethos. This is likely to have led Newton to state, "If I have seen further it is by standing on the shoulders of giants."

Because certain dialectic is discernible within OEP literature, we may be led to think there is an evolution of ideas in OEP study. Indeed, the evolution of management thought (Wren, 1994) or the outstanding revisiting of organizational theory by Morgan (1997) seems to reflect the early and late multidimensional frameworks of OEP already mentioned. However, evolution entails building on the logic of cumulative knowledge.

There is a seldom-recognized distinction between evolution and progress that closely accompanies the conceptual distinction made between teleonomy and teleology (Gould, 2000). Both imply change; however, while the first involves—mutatis mutandis—processes of diversification and adaptation contingent to factors external to conceptual or theoretic issues, the second one (progress) is a teleological bonded concept where the direction of change is predetermined by the will of the organizational actors.

Is there indeed a logic of cumulative knowledge in OEP literature? Kaplan and Norton (1992, 1996) insisted in calling attention to the insufficiency of financial measures; however, that call was preceded by Curtis (cited in Eccles, 1991). Is the continuous appeal to multidimensionality a typical case of *vox clamantis* (the biblical narrative of a call in the desert) or simply a sign that, as a community, we have been having difficulty building a cumulative body of knowledge on this complex subject? Either way, the nature of organization may be relevant for the evaluation of their OEP.

Herman and Renz (1998, 1999) have a slight but very informative change in the theoretical perspectives on OEP in both articles. While in Herman and Renz (1998) we read "The theory of organizational effectiveness has a complex history" (p. 25), in Herman and Renz (1999) we read "The academic study of

organizational effectiveness has a long and tortuous history" (p. 107). The mere fact that the authors oscillate between complex and tortuous reflects the state of mind of many other researchers and the field of study. This may help explain difficulties in building knowledge cumulatively.

Hirsch and Levin's (1999) umbrella concepts' dynamics offer a more audacious and intriguing explanation for this phenomenon. According to these authors, concepts of such semantic amplitude—like organizational effectiveness, quality or organizational culture—show an evolution in research that follows a typical four-phased cycle: (a) the emerging excitement, (b) validity policy, (c) tidying up with typologies, and (d) collapse. Briefly, the model states that a determined concept starts by being very explored within the literature—what we may call a fad—and then comes to present several difficulties as to construct validity that are addressed by all-embracing typologies (in the case of OE, the multidimensional models arising in the 1980s and 1990s). Eventually researchers lose interest, turning to a new more exciting concept such as OP (Hirsch & Levin, 1999) or quality (Cameron & Whetten, 1996). By this time, a new excitement phase occurs turning the new concept into the focus of attention and research interest. Progress and cumulative knowledge, then, would be an illusion.

This state of affairs seems to harm not only academics and their interest in theory building but also practitioners. According to Savoie and Morin (2000), managerial difficulties felt in day-to-day organizational life may be attributable to how easily organizations are permeable to management fads. These fads could be understandable were it not the fact that their positive effects seemed to influence mostly an organization's reputation rather than its economic performance (Staw & Epstein, 2000) and that replacement umbrella constructs echo discussions that took place long before—see replication of single versus multiple OEP construct nature debate by contrasting Kaynak (2003) with Quinn & Rohrbaugh (1983).

The above theoretical perspective has led us to look at the possible distinction between NPO and B cases in the literature, in search of a direction, either for convergence (i.e., both are organizations, thus a communality should emerge) or divergence (i.e., both types of organizations are so different that a distinctive way for evaluation should be evident) as OEP criteria such as, for example, quality have been shown to be more associated with NPO rather than B organizations in the case of the health care sector (Chesteen, Helgheim, Randall, & Wardell, 2005).

METHOD

SAMPLE

Time frame analysis is important in OEP studies not only because of possible differences in organizational adjustment (Greve, 2002) but because a trend

can be identified only via a long-time perspective suggesting advantages in working on more than anecdotal evidence (Gilley, Greer, & Rasheed, 2004). Extending the scope of Forbes's (1998) study—addressing only NPO-specific publications and empiric studies resulting in a final sample of 21 papers—we decided to comprehend OEP empiric and theoretic studies covering for-profit and NPO sectors and as both simultaneously (Mx). Notwithstanding the landmark work of Hannan and Freeman (1977), we consider that the evolving nature of the OEP construct (cf. Hirsch & Lewin, 1999) would advise to limit the analysis to the last dozen years for a contemporary representation of OEP within the field. Therefore, the current study targeted OEP-related papers published between 1992 and 2003 (inclusively). We conducted an ABI/Inform search to identify papers with either *organizational effectiveness* or *organizational performance* in the title or abstract, and available as full text. This search yielded 745 papers, of which 221 stated an operational definition for OE or OP constructs while including a clarification of the nature of the organizations they addressed (for profit, nonprofit, or a mix).

Of these 221 papers, 72 were excluded because of low quality, based on issues such as lack of clarity in defining the variables, unspecified nature of sample, or no peer review control (allowing few mixed to be included—see below), leaving 149 quality papers for applying a homogeneity analysis to four nominal variables described in detail at the Analysis section.

ANALYSIS

We applied a homogeneity analysis (HOMALS), based on Greenacre and Blasius (1994), Hair, Anderson, Tatham, and Black (1998), and Van der Kooij and Meulman (2004). Such an analysis was proven relevant for studies of this kind (see, e.g., Alden, Steenkamp, & Batra 1999; Kaciak & Louviere, 1990; Ngai & Cheng, 1997; Snelders & Stokman, 1994; Wels-Lips, Van der Ven, & Pieters, 1998). We focused on the following four dimensions:

- the nature of the organizations (with four categories: for-profit, NPO, mixed, unspecified)
- the nature of the paper (theoretical vs. empirical)
- the academic rigor of the journals (peer-reviewed vs. nonpeer-reviewed)
- clarity of the OEP criteria stated (explicitly vs. implicitly).

In this way, if any logical association was to be found between indicators of lower quality in literature (e.g., lack of clarity in defining the variables, unspecified nature of sample, or no peer review control) we would opt for higher quality literature.

Papers selected were subject to a second round of content analyses on the operational definition and/or specification of OEP, so to identify specific conceptions of OEP. Content analysis is prone to bias because of the researcher subjectivity and, therefore, needs to have mechanisms of validation

substantiated, for example, in researcher triangulation (Jauch, Osborn & Martin, 1980; Yin, 1994). To control for researcher subjectivity, a subset of 10% of randomly chosen papers from the list (totalling 14 papers) was given to an independent "jury" of four highly esteemed academics, and their selection decision was compared with our classification. Measured via Cohen's kappa, the comparison revealed an acceptable level of agreement that ranged from kappa = .726 to .751 averaging .736. This is interpreted as indication of a workable level of objectivity in content analysis (Kolbe & Burnett, 1991).

Our choice for classifying papers as studying for-profits versus NPOs is a simplification of Acar et al.'s (2001) five organizational typology. This is because that distinction between the exact nature of organizations (publicly held vs. privately held, revenue-generating vs. nonrevenue generating) is not entirely verifiable in each OEP paper; thus, we decided to chunk together all for-profit studies under the same label (Business) and all not-for-profit studies under one single label also (NPO). Although increasing differentiation between B and NPO groups we realized that this will imply an eventual loss in fine discriminating capacity of the analyses. Notwithstanding, being a qualitative meta-analysis, it is advantageous to opt for a two-class comparison instead of a five-class comparison because it is the very minimum degree of measurement error we can work with.

Because we intended to identify configurations of OEP measures, the papers were first characterized as to the sort of literature they belonged (the first four variables above mentioned). After which, papers were content analyzed to verify whether the authors used a given variable to operationalize OEP. The codification of each OEP variable was 0-absent versus 1-present. Then we subjected the papers to a hierarchical cluster analysis using "between-groups" linkage (also known as average linkage) and applying Jaccard's formula to evaluate similarity of measure as to OEP operational definitions (Aldenderfer & Blashfield, 1984; Everitt & Dunn, 2001; Sharma, 1996). Cluster analysis is a classification procedure that identifies groups of similar objects—persons or organizations, usually—using a set of variables to estimate the degree of similarity among themselves. The intention was to find the most homogeneous groups of objects as to the variables under analysis. It is the obverse of factor analysis as it reduces the number of objects instead of the number of variables (Malhotra, 1999). Therefore, this was the analysis that allowed the identification of eventual groups of OEP papers (our objects) sharing the same OEP criteria profile.

There are several methods to calculate similarities; however, none is universally accepted as the best (Everitt & Dunn, 2001), and it is recommended that several similarity measures and linkage methods be tested to evaluate the stability of each classification obtained. However, when dealing with nominal data—such as in our case—contingency tables are used to evaluate similarity and replace the more common distance measures in metric scales, in what is known as matching measures (Lattin, Carroll, & Green, 2003). The choice for a linkage method and for Jaccard's formula reflects the nature of the data and

technique of analysis (see Aldenderfer & Blashfield, 1984; Everitt & Dunn, 2001). Although no single method can be claimed superior for all types of data (Milligan, 1980), unequal size samples make the group average linkage more suitable (Everitt & Dunn, 2001), and as this linkage method uses information of all cases it is usually preferred to the single and complete linkage methods (Malhotra, 1999). We opted for using Jaccard's formula because our methodological choices made it preferable to disregard the matching of absent-absent cases (cell "d" in Jaccard's formula as stated by Sharma, 1996, p. 220, and Aldenderfer & Blashfield, 1984). The coabsent cell is ambiguously interpretable in our case because we cannot know whether the absence of a particular criterion is because of being considered unsuitable to operationalize the OEP construct or if it is simply being overlooked. Under such circumstances, we cannot but disregard the coabsent cases (Aldenderfer & Blashfield, 1984).

RESULTS

TRIMMING DOWN THE SAMPLE

In the current study, we examined mostly blind peer review journals, to verify the use of rigor selectivity in the publication process. By subjecting papers to the scrutiny of peers, chosen among those who have acknowledged skills to uphold the scientific standard, academy is seeking to prevent characteristics in papers that have potential for misinterpretation (such as implicit OEP definitions) or that characterize insufficiently samples in the case of empirical studies (such as the Unspecific Sample category in our OEP analysis). After applying a HOMALS to 303 OEP papers focusing on qualifying variables (peer review vs. nonpeer review; type of sample—for-profit, NPO, mixed, unspecified; measured OEP vs. not measured OEP; explicit vs. implicit definition of OEP) we found the following association between categories (Figure 1) within a 2-dimensional space explaining 51.2% of the variance.

The associations have been tested for typological fit through a cluster analysis using as input variables the HOMALS scores for the two dimensions. The analysis of fusion coefficients indicated a possible range from three to five clusters; however, a four-cluster solution was found to be aggregating data in a more logical way. Measurement of degree of match between cluster memberships for several linkage methods showed that the four-cluster solution was stable (Table 1 & Figure 2).

The juxtaposition of both graphs informs us on the approximate boundaries and nature of each cluster on OEP literature as to the four variables under analysis (Figure 3).

Accordingly, we opted for restricting our analysis to scientific literature papers that seemed to be more reliable as they have been (a) subjected to peer review, (b) have explicit measures of OEP, (c) actually measure it (and thus prove their definition to be operational and feasible), and (d) have

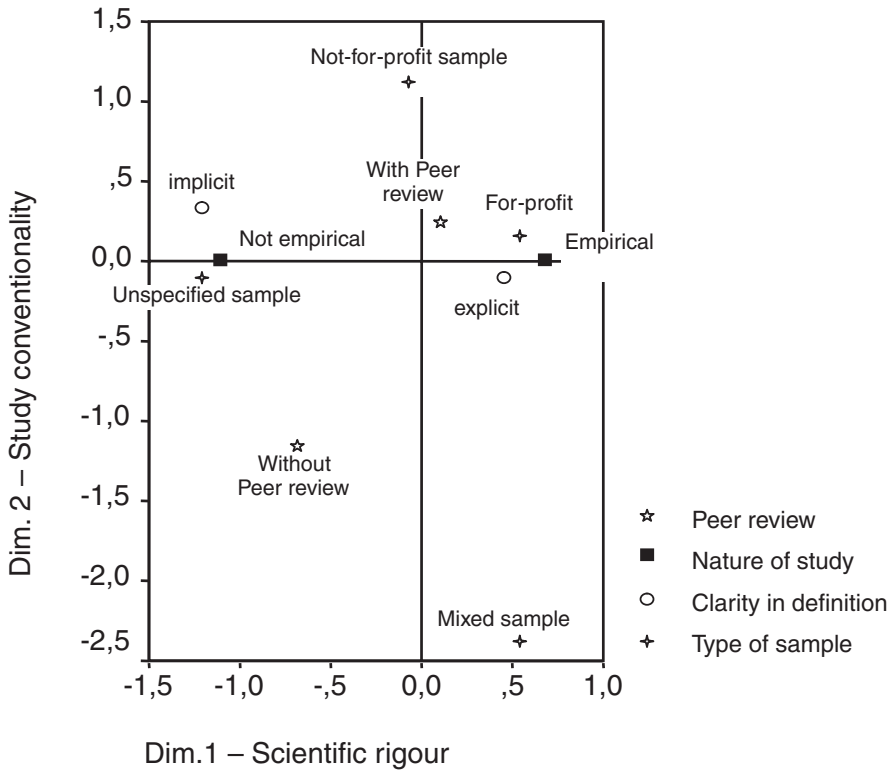

Figure 1. Homogeneity Analysis for Paper's Publishing Characteristics

Table 1. Four-Cluster Solution Stability According With Linkage Method

Cramér's V4 clusters	*Ward*	*Average Linkage (Between)*	*Average Linkage (Within)*	*Centroid*	*Median*
Average link (between)	.743*	—			
Average link (within)	.859*	.676*	—		
Centroid	.743*	1.000*	.676*	—	
Median	.816*	.845*	.713*	.845*	—
K-Means	.932*	.786*	.897*	.786*	.798*

Note: *$p < .000$.

conventional samples as to for-profit and NPO nature. We have, however, enabled an exception to papers with mixed sample (for-profit and NPO) as they projected on the more positive side of "scientific rigor" axis and projected

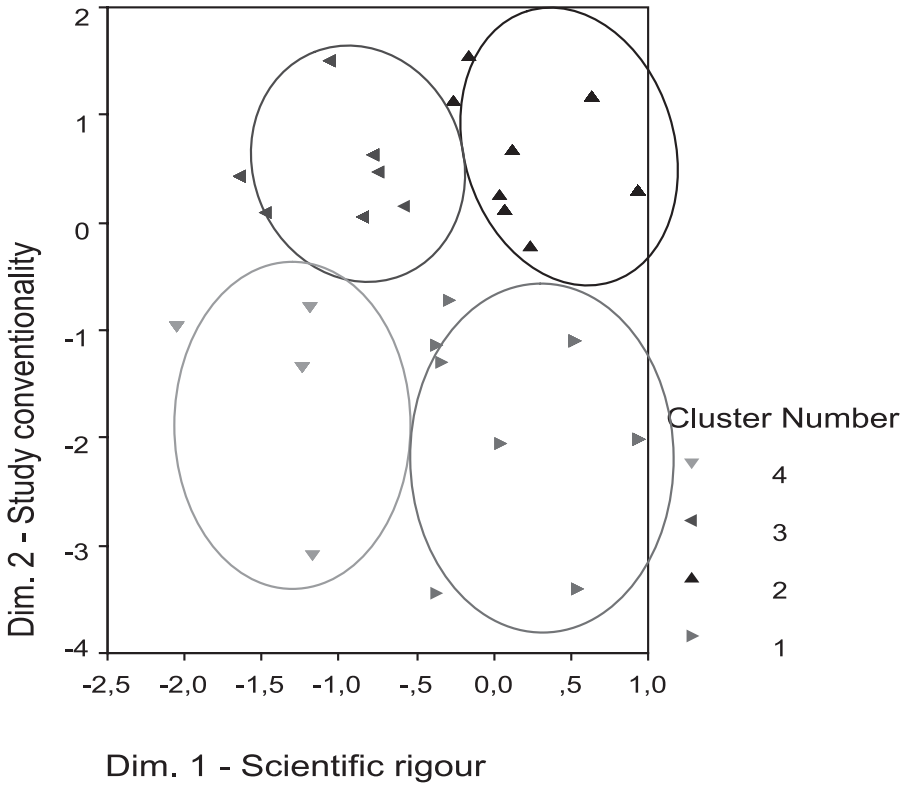

Figure 2. Case-Clustering Distribution for the 2-Dimensional Space

on the "unconventional research" side of the vertical axis. Thus, for its heuristic value, we opted for including them also in the sample.

SUBSETS

Among the 149 papers, 100 focused on business firms and companies (B), 21 on NPOs, and a further 28 related to a mix of business firms and NPOs (Mx).

OEP CRITERIA ANALYSIS

This section deals with two issues that we consider important to the understanding of the relationship between B and NPO effectiveness and performance study: (a) the eventual differences in the multicriteria and multidimensionality between both sets and (b) the pattern of communalities and

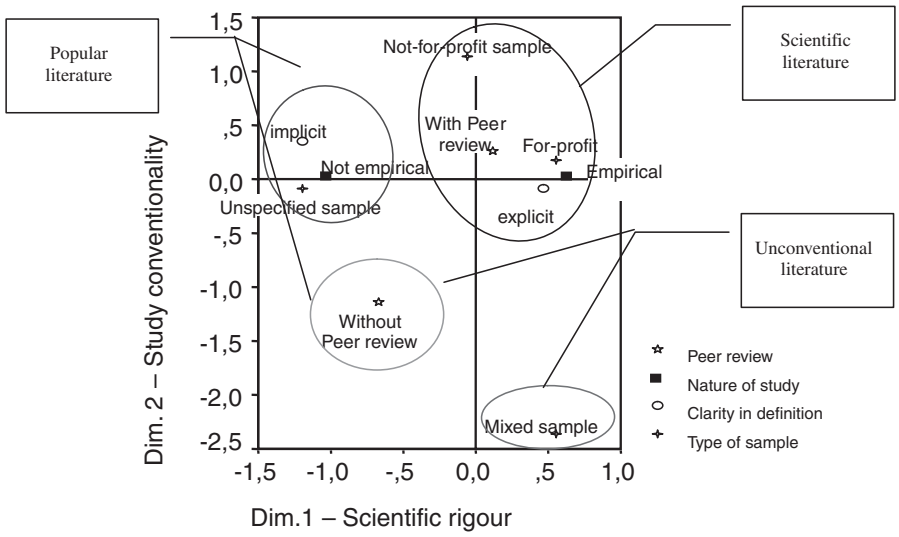

Figure 3. Typological Space for Organization Effectiveness or Performance Types of Literature

Table 2. Cross-Tabulation B:Mx:NPO × Year of Publication

	1992	*1993*	*1994*	*1995*	*1996*	*1997*	*1998*	*1999*	*2000*	*2001*	*2002*	*2003*	*Total*
B	7	9	5	3	7	9	8	9	14	5	13	11	99
Mx	1	5	2	1	1	3	3	2	4	2	2	1	28
NPO	1	3	5	1	2	2	2	0	2	1	4	0	23
	9	17	12	5	10	14	13	11	20	8	19	22	150

Note: B = for-profit; Mx = mix; NPO = nonprofit organization.

distinctions as to OEP criteria among these sets. Finally, we give a special focus to the Mx set, where all communalities and distinctions must be coordinated.

A time analysis for the study period shows a quite stable distribution across the sectors along the years, as presented in Table 2.

We have found an average number of criteria of 3.83 per paper with a very asymmetric distribution per number of criteria (see Figure 4). For the B, Mx, and NPO sets considered alone, averages were 3.68, 4.43, and 3.71, respectively, with no statistical difference among them.

The percentage of single-criterion papers was 22.1%; and adding to these the two-criteria papers, we get more than 40.9% of the entire sample. Papers with operational definitions within the financial realm (as specified early in this article) reached 31.5% (42 of the 47 papers were in the B set—see Table 3).

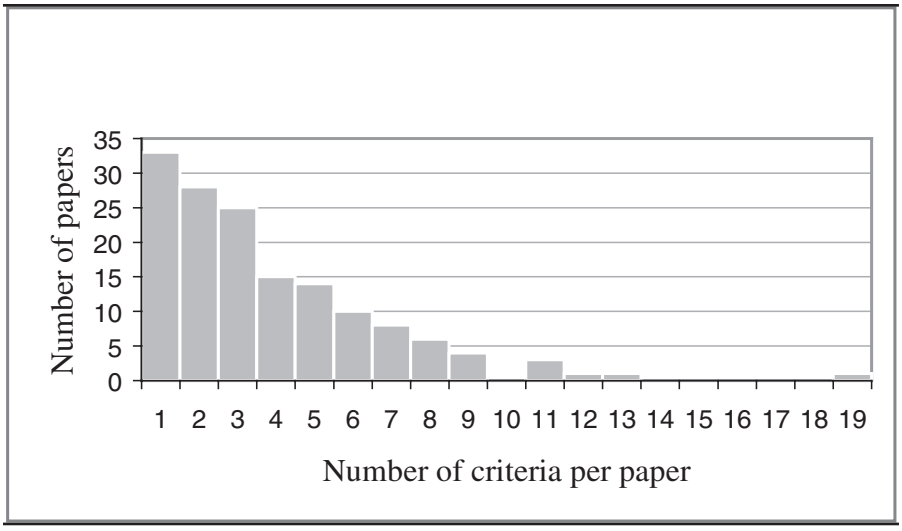

Figure 4. Frequency paper/n of criteria

Table 3. Exclusively Financial OEP Operational Definitions Within Sample

	B	*Mx*	*NPO*	*Total*
All financial	42	4	1	47
Financial-other	58	24	20	102
Total	100	28	21	149

Note: OEP = organization effectiveness or performance; B = for-profit; Mx = mix; NPO = nonprofit organization.

The number of criteria per paper has been stable in all of the sets: (Kruskal-Wallis [KW]χ^2 = 15,955, *df* = 11, *p* = .143) for B, (KW = 7,981, *df* = 11, *p* = .715) for Mx, and (KW = 15,163, *df* = 9, *p* = .087) for NPO.

A set of 29 criteria for the B, 17 for the NPO, and 21 for the Mx (many of them appearing in all the categories) emerged out of the analysis (see Table 4 for those salient).

Whenever one or more criteria were used as synonyms or with a wide overlapped meaning, we opted for aggregating them into a single criterion for parsimony sake. For example, in the case of productivity and efficiency, Katz and Kahn (1966) called attention to the diffuse but existing semantic difference between these concepts (the first being an expression of a input-output ratio and the second the quantification of input necessary to produce one output unit). Because of this slight distinction, is it foreseeable that both concepts exist in authors' minds as synonyms or proxies of each other. Therefore, we opted for their aggregation. The same rationale applies to other criteria.

Table 4. Common Ground for B, Mx and NPO OEP criteria

	Business	*Mixed*	*NPO*
Efficiency and/or productivity	36[a]	16[a]	10[a]
Sales (total or per worker)	43[a]	4	7[a]
Profitability and/or shareholder return	32[a]	11[a]	0
Financial success	51[a]	10[a]	3
Employee satisfaction and/or morale + Commitment + Participation	20	13[a]	7[a]
Growth and/or market share	23[b]	11[a]	6[a]
Customer orientation	25[b]	13[a]	7[a]
Public image, goodwill, and/or reputation	4	4	7[a]
Quality and/or product—Service quality	25[b]	10[a]	8[a]
Social performance	0	0	7[a]
Average with zeros	12.62	4.21	2.66
SD with zeros	13.75	4.98	3.22
Cutoff points (with zeros)	26.37	9.19	5.88
NPO:Mx:B = Efficiency and/or productivity, growth and/or market share, customer orientation, quality			
B:Mx = Profitability, Financial success			
NPO:Mx = Employee satisfaction, morale, commitment, and/or participation			

Note: B = for-profit; Mx = mix; NPO = nonprofit organization; OEP = organizational effectiveness or performance.
a. Signals criteria considered salient (with a frequency higher than the cut-off point)
b. Signals a criterion that is slightly above the cutoff point but, because of the high number of frequency for "financial success," may be considered in the borderline of salient criteria.

Global results for the count of criteria per paper show that some tended to appear much more frequently than others. This may indicate that these criteria have widespread acceptance in OEP literature.

For the B set, the most commonly mentioned OEP criterion was "financial success" while for Mx and NPO it was "efficiency and/or productivity."

To focus on the most frequent criteria utilized, we used one standard deviation above the average as a cutoff point (see cells marked with an [a] in Table 4).

CONFIGURATIONS OF FOR-PROFIT AND NPO MEASURES

Up to this point, the analysis was performed focusing on each set and treating each criterion as independent from all others. However, as D'Art & Turner (2004) highlighted in the case of profit-sharing practices and OEP, the criteria only apparently are conceived as independent among themselves. Therefore, an author's choice for a given measure might depend on the measures previously chosen; and so, the analysis of the configuration of variables for the whole set of papers is mandatory.

In the following three cases (B, NPO, and Mx), the proportions of the more salient criteria (within the cluster and within the number of times the criteria was mentioned in the whole set of papers) revealed the nature of each cluster.

CLUSTER ANALYSIS FOR B SET

Following Aldenderfer and Blashfield (1984), Everitt and Dunn (2001), and Malhotra (1999), a cluster analysis was performed to find configurations of criteria for the B set. Cluster solutions fall in between two or three clusters. Based on the interpretability, we opted for three clusters.

Cluster B1 comprises 30 papers, each having an average number of occurrences per criterion of 2.90 and a standard deviation of 5.27. Thus the upper cut-point for cluster B1 is 8.17, which leaves only the following items to be considered as salient for characterization:

- sales and/or resource acquisition (27/30) = 90%; financial success (11/30) = 36.7%

Cluster B2 is the largest with 45 papers, an average number of occurrences per criterion of 4.41 and a standard deviation of 6.01. The upper cut-point for cluster B2 is 10.42 that leaves the following items to be considered as salient:

- financial success (28/45) = 62.2%; profitability (17/45) = 37.8%; efficiency and/or productivity (13/45) = 28.9%

Cluster B3 comprises 25 papers, an average number of occurrences per criterion of 5.31 and a standard deviation of 6.43. Thus, the upper cut-point for cluster B3 is 11.74 that leaves the following items to be considered as salient:

- customer orientation (21/25) = 84%; efficiency and/or productivity (20/25) = 80%; growth and/or market share (16/25) = 64%

According to the dominant criteria—the most frequent—we named the clusters:

- Cluster B1: Sales focus
- Cluster B2: Economic-financial focus
- Cluster B3: Customer focus

The rationale is that more frequent criteria will reveal the primary nature of the cluster. However, this criteria might coexist with other divergent criteria without implying that the cluster is inconsistent, contradictory, or paradoxical but simply that the authors recognize implicitly the complementary role of OEP criteria fitting in distinct dimensions. In addition, by adopting a single name for each cluster, we warn against oversimplification of its nature as we intend to highlight its primary emphasis. In addition, the regular criteria to choose the number of clusters in a hierarchical clustering procedure do not apply to a binomial variable data structure. Therefore, the primary criterion

for deciding on the solution of these clusters is through a compound of the dendrogram examination and facial validity of each possible solution of clusters.

CLUSTER ANALYSIS FOR NPO SET

The cluster analysis of NPO papers revealed two clusters as to the criteria used to operationalize OEP.

Cluster N1 is composed of 11 papers, an average number of occurrences per criterion of 1.48 and a standard deviation of 2.32. Thus, the upper cut-point for cluster N1 is 3.81 that leaves the following items to be considered as salient:

- efficiency and/or productivity (7/11) = 63.6%; customer orientation (6/11) = 54.5%; financial success (6/11) = 54.5%; quality (6/11) = 54.5%; employee satisfaction (5/11) = 45.5%.

Cluster N2 is composed of 10 papers, an average number of occurrences per criterion of 1.17 and a standard deviation of 1.91. Thus, the upper cut-point for cluster N2 is 3.08 that leaves the following items to be considered as salient:

- Sales and/or resource acquisition (6/10) = 60%; public image and/or reputation (6/10) = 60%; and social performance (5/10) = 50%

According to the dominant criteria we named the clusters:

- Cluster N1: Global stakeholder focus
- Cluster N2: External focus

CLUSTER ANALYSIS FOR MIXED SET

The cluster analysis of Mx papers revealed a single cluster.

Cluster M1 is composed of 28 papers, an average number of occurrences per criterion of 4.21 and a standard deviation of 4.98. Thus, the upper cut-point for cluster M1 is 9.19 that leaves the following items to be considered as salient:

- efficiency and/or productivity (16/28) = 57.1%; customer orientation (13/28) = 46.4%; profitability (11/28) = 39.3%; growth and/or market share (11/28) = 39.3%; financial success (10/28) = 35.7%; and quality (10/28) = 35.7%.

According to the dominant criteria we named the cluster M1 as global stakeholder focus.

In summary, configurations as to OEP measurement criteria seem to differ considerably among B:Mx:NPO papers. Table 5 summarizes the cluster profiles.

Table 5. Cluster OEP Criteria Profiles

	Business 1	*Business 2*	*Business 3*	*Mx*	*NPO 1*	*NPO 2*
Profitability		X		X		
Financial success	X	X		X	X	
Efficiency business productivity		X	X	X	X	
Sales	X		X			X
Growth business market share			X	X		
Quality			X	X	X	
Customer orientation			X	X	X	
Employee satisfaction					X	
Social performance						X
Public image						X

DISCUSSION AND CONCLUSION

The theoretical crisis experienced in the late 1970s within OEP research steamed up because of the multiplicity of perspectives developing very different—and sometimes patently opposing—ideas as to OEP (Steers, 1975). One major hindrance for further development in this area was a lack of agreed common basis for the evaluation of OEP. Our work provides certain clarification in this area by analyzing communalities and distinctions in the evaluation of OEP in different sectors.

More than 20 years have elapsed since the OEP crisis in the late 1970s and the rise of multidimensional dynamic OEP models (e.g., Hitt, 1988; Kaplan & Norton, 1992; Venkatraman & Ramanujam, 1986). Apparently, these models suitably integrated much of the long-lasting issues that were stimulating the OEP debate for decades. However, certain issues emerged occasionally, with recurrent calls for clarification as to the multidimensionality of the construct. Other less explored issues opened the way to independent processes of conceptual differentiation within each field of study (e.g., strategic management vs. organizational theory—Glunk & Wilderom, 1999) with the consequential proliferation of both terminology and essence.

The recurrent appeals to the use of OEP multicriteria measures could be because of a lack of parsimony or even redundancy as if authors would back much of their arguments using previously used formulas that held with time (appealing to OEP multicriteria would be a simple motto). However, literature analysis revealed that authors do have reasons to make this appeal. Content analysis showed that the number of single-criterion and two-criterion studies is unexpectedly high (40.9%). Moreover, many of the apparent multicriteria OEP studies analyzed were, in fact, unidimensional (multicriteria is not multidimensionality). Resorting to an exclusive financial OEP operationalization was considerably high in B papers (42%) thus showing that multidimensionality has been only partially integrated or even assimilated in this line of study (which represented two thirds of OEP papers collected). Even market issues might be disregarded in financial-driven organizations such as

banks (Luo, 2003). However, as expected, NPO and Mx papers did show a remarkable rate of nonexclusively financial measures (85.7% for Mx and 95.2% for NPO).

The 1990s panorama showed a steady body of literature for B, Mx, and NPO studies that had a stable rate of occurrences in OEP literature. From the original sample papers (comprehending scientific, popular, and frontier OEP literature), we concluded that there is a general preference for empiric studies that tend to be published after peer reviewing and that are typically clear as to the OEP operational definition.

The identified OEP criteria differences seem to reflect the debate between economic and social trade-offs and the nature of core organizational goals that theoretically separate B from NPO. While B studies indeed focused mostly on economic-financial issues, Mx and NPO seemed to be focused on "human and societal outcomes" and "internal social issues" such as "employee satisfaction and/or morale + commitment + participation." This may be because of the degree of social responsibility input NPOs have to deal with (cf. Morin et al., 1994; Quinn & Rohrbaugh, 1983).

Configurations of OEP criteria present a distinct pattern between all sets. Two of B OEP clusters seem to have been compacted into a NPO-1. A striking remark is the persistent association in each NPO cluster of a social criterion, particularly visible in NPO-2, highlighting its fundamental societal raison d'être while no B cluster seems to include such concerns.

ORGANIZATIONAL OR SECTORIAL EFFECTIVENESS AND PERFORMANCE?

Results showed that there is a common ground as to B:Mx:NPO OEP criteria. Considering each criterion separately, common ground is composed by efficiency-productivity, growth and/or market share, and quality. Considering the configuration approach, common ground is composed by financial success, efficiency-productivity, quality, and customer orientation. Two conclusions can be drawn from this:

1. The existence of common ground supports the idea that B effectiveness and/or performance and NPO effectiveness and/or performance are not so differentiated as to be considered distinct constructs. This can be explained, as B and NPO are "organizations" and might be conceived in an organizational continuum (Acar et al., 2001). However, an operational definition of a given construct is not the construct in itself but the only way we can know for sure whether conceptual distinctions remain a matter of semantics or if it affects the applied research and empirical derivations of theoretical debate. This should be valid if it is operationalized with perceptive or objective measures (Wall et al., 2004).
2. The immediate problem raised by this common ground is that all measures seemed to correspond to broadly diffused concepts. Thus, discus-

> sions on the conceptual boundaries of any of these measures can be frequently found in literature. This poses organizational researchers a challenge: Are we trying to tackle the lack of construct clarity by using operational definitions that also share this feature? It should bring some relief to academics and practitioners to have a clear and agreed set of measures to operationalize OEP. However, researchers seem to bring down one level the same issues that prevent OEP research from progressing, such as its lack of semantic clarity. Therefore, OEP criteria are reduced to potential ambiguous constructs such as quality, efficiency and/or productivity, or financial success. To a certain extent, this strengthens those who question the cumulative building of knowledge on OEP study.

Profitability and financial success are OEP prominent criteria in B set and Mx sets but not appearing as such in NPO. Considered separately, financial issues are certainly common to both types of organizations; however, they tend to be associated with "profit" issues; and so, authors seemed to be excluding them from NPO OEP research or including in a global impact evaluation that sees social and financial issues at the same level.

Conversely, a single OEP criterion was prominent in the Mx and NPO sets but missing in the B set: employee satisfaction. Either employee satisfaction plays a more important role in NPOs or its shared relevance depicts an OEP measurement more politically attuned with social concerns and human management, compared with B set. We argue that the conceptual vagueness of *efficiency* calls for further specification to be made in NPO and Mx studies.

POSSIBLE LIMITATIONS

The findings need to be interpreted within the context of the sampling and the database used. However, the ABI/Inform is quite a comprehensive database, and our sample comprised papers published in dozens of different, well-credited journals. Last, the fact that data covers only the 1992 to 2003 time period can be perceived as a limiting factor. However, going back too far, data would reflect outdated perspectives of what is important in management and organizational studies.

IMPLICATIONS

Implications of these results are relevant on managerial and academic grounds. For practitioners, it is our concern that past research on OEP continues to be overshadowed by fads with doubtful empirical and theoretical sound foundations presenting themselves as simple recipes that the researcher might be accepting tacitly, without being aware of such. Sometimes common sense might suggest that instrumental and theoretic stances are mutually exclusive; however, managers' interests are by no means abyssally

distinct from academic interests. It is our recommendation that practitioners seek signs of cumulative knowledge building such as literature review, reference to competing models or perspectives, and a self-critical posture of "success recipes" promoters. In addition, methodology issues and ability to generalize results are crucial and should be kept as clearly stated as possible.

For academic scholars, we recommend to conduct future OEP studies, especially empirical ones, with clear indication of the nature of the target population in terms of B, Mx, or NPO samples, always stating explicitly and clearly OEP criteria. Defining operationally OEP with a single criterion or with financial-only criteria should not be acceptable except under the label of, for example, "economic-financial performance and/or effectiveness" rather than under "OEP." Increasing rigor in reporting will help in dealing with OEP confusion. Another recommendation has to do with the possibility of researchers locking themselves in a circle of specialized journals—such as the case of NPO—and developing an ab initio approach to the subject. In addition, generalist management and/or organization studies journals could benefit from encouraging empiric studies on Mx samples, especially the use of the dominant criteria in all 3 + 1 + 2 clusters as a way of rebuilding common ground without the loss of multidimensionality. As there are common grounds and distinctions in the OEP operationalizations of B:Mx:NPO samples, future research may also benefit from investigating how it is possible to maintain specificity without losing comparability. In addition, future research could help explain whether these (common ground and distinct ground) are a reflection of the contrast reality of B and NPO sectors or of the lack of cumulative knowledge that seems to be pervading much of OEP literature.

We must also caution that all conclusions pertaining to the way the OEP construct was operationalized should not be turned into a prescription of how it should be operationalized but rather as a referential as to how it has been operationalized. As an example, new conceptions and approaches to organization theory are highlighting new possible criteria for evaluating OEP such as spirituality (Neal & Biberman, 2004). Using this referential as a common starting point may allow researchers to clarify the reasons for using or discarding a given OEP criteria. In this sense we think it might be helpful.

Finally, we hope that this article will provide scholars with a solid basis for shared perspectives and conceptualization of the OEP construct, within a variety of possible research environments, and that this will reopen the much-needed debate around these issues, as tacit acceptation is seemingly muddling the field with unneeded buzz words, conceptual roundabouts, and unawareness of the noncumulative knowledge building in current thinking about OEP.

References

Acar, W., Aupperle, K., & Lowy, R. (2001). An empirical exploration of measures of social responsibility across the spectrum of organizational types. *International Journal of Organizational Analysis*, *9*(1), 26-57.

Alden, D., Steenkamp, E., & Batra, R. (1999). Brand positioning through advertising in Asia, North America, and Europe: The role of global consumer culture. *Journal of Marketing*, *63*(1), 75-87.

Aldenderfer, M., & Blashfield, R. (1984). *Cluster analysis*. Thousand Oaks, CA: Sage.

Arrington, B., Gautam, K., & McCabe, W. (1995). Leveraging the process: Continually improving performance. *Hospital and Health Services Administration*, *40*(1), 95-110.

Bargerstock, A. (2000). The HRM effectiveness audit: A tool for managing accountability in HRM. *Public Personnel Management*, *29*(4), 517-526.

Bateson, G. (1972). *Steps to an ecology of mind*. Chicago: University of Chicago Press.

Bluedorn, A. (1980). Cutting the Gordian knot: A critique of the effectiveness tradition in organizational research. *Sociology and Social Research*, *64*(4), 477-496.

Burke, W., & Litwin, G. (1992). A causal model of organizational performance and change. *Journal of Management*, *18*(3), 523-545.

Cameron, K. (1998). Organizational effectiveness. In N. Nicholson (Ed.), *Encyclopedic dictionary of organizational behavior* (pp. 391-395). Oxford, UK: Blackwell.

Cameron, K., & Whetten, D. (1996). Organizational effectiveness and quality: The second generation. In J. Smart (Ed.), *Higher education: Handbook of theory and research* (Vol. 11, pp. 265-306). New York: Agathon Press.

Campbell, J. (1977). On the nature of organizational effectiveness. In P. Goodman & J. Pennings (Eds.), *New perspectives on organizational effectiveness* (pp. 13-55). San Francisco: Jossey-Bass.

Casteuble, T. (1997). Using financial ratios to assess performance. *Association Management*, *49*(7), 29-36.

Chesteen, S., Helgheim, B., Randall, T., & Wardell, D. (2005). Comparing quality of care in nonprofit and for-profit nursing homes: A process perspective. *Journal of Operations Management*, *23*, 229-242.

Connolly, T., Conlon, E. J., & Deutsch, S. J. (1980). Organizational effectiveness: A multiple-constituency approach. *Academy of Management Review, 5*, 211-217.

Cranston, M., & Peters, R. (1972). *Hobbes and Rousseau: A collection of critical essays*. Garden City, NY: Doubleday.

Cyert, R., & March, J. (1963). *A behavioral theory of the firm.* Englewood Cliffs, NJ: Prentice Hall.

D'Art, D., & Turner, T. (2004). Profit sharing, firm performance and union influence in selected European countries. *Personnel Review*, *33*(3), 335-350.

Eccles, R. C. (1991). The performance measurement manifesto. *Harvard Business Review*, *69*(1), 131-137.

Everitt, B., & Dunn, G. (2001). *Applied multivariate data analysis* (2nd ed.). London: Arnold.

Forbes, D. (1998). Measuring the unmeasurable: Empirical studies of nonprofit organization effectiveness from 1977 to 1997. *Nonprofit and Voluntary Sector Quarterly*, *27*(2), 183-202.

Fox, D. (1996). The law says corporations are persons, but psychology knows better. *Behavioral Sciences and the Law*, *14*, 339-359.

Greve, H. (2002). Sticky aspiration: Organizational time perspective and competitiveness. *Organization Science*, *13*(1), 1-17.

Gilbert, R., & Parhizgari, A. (2000). Organizational effectiveness indicators to support service quality. *Managing Service Quality*, *10*(1), 46-51.

Gilley, K., Greer, C., & Rasheed, A. (2004). Human resource outsourcing and organizational performance in manufacturing firms. *Journal of Business Research*, *53*(3), 232-240.

Glunk, U., & Wilderom, C. (1999). Organizational effectiveness = Corporate performance? Why and how two research approaches need to be merged. In M. Pina e Cunha & C. Alves Marques (Eds.), *Readings in organization science: Organizational change in a changing context* (pp. 155-181). Lisbon, Portugal: Instituto Superior Psicologia Aplicada.

Goddard, A., & Powell, J. (1994). Accountability and accounting: Using naturalistic methodology to enhance organizational control—A case study. *Accounting, Auditing and Accountability Journal*, *7*(2), 50-61.

Goodman, P., Atkin, R., & Schoorman, D. (1983). On the demise of organizational effectiveness studies. In K. Cameron & D. Whetten (Eds.), *Organizational effectiveness: A comparison of multiple models* (pp. 163-183). New York: Academic Press.

Gould, S. J. (2000). *Full house*. Lisbon, Portugal: Gradiva.

Greenacre, M., & Blasius, J. (1994). *Correspondence analysis in the social sciences: Recent developments and applications*. San Diego: Academic Press.

Hair, J., Anderson, R., Tatham, R., & Black, W. (1998). *Multivariate data analysis* (5th ed.). Upper Saddle River, NJ: Prentice Hall.

Hannan, M. T., & Freeman, J. (1977). The population ecology of organizations. *American Journal of Sociology*, *82*, 929-964.

Harrison, J., & Sexton, C. (2004). The paradox of the not-for-profit hospital. *Health Care Manager*, *23*(3), 192-204.

Hart, S. L., & Quinn, R. E. (1993). Roles executives play: CEOs, behavioral complexity, and firm performance. *Human Relations*, *46*(5), 543-574.

Henderson, D., Chase, B., & Woodson, B. (2002). Performance measures for NPOs. *Journal of Accountancy*, *193*(1), 63-68.

Herman, R., & Renz, D. (1997). Multiple constituencies and the social construction of nonprofit organization effectiveness. *Nonprofit and Voluntary Sector Quarterly*, *26*(2), 185-206.

Herman, R., & Renz, D. (1998). Nonprofit organizational effectiveness: Contrasts between especially effective and less effectiveness organizations. *Nonprofit Management and Leadership*, *9*(1), 23-38.

Herman, R., & Renz, D. (1999). Theses in nonprofit organizational effectiveness. *Nonprofit and Voluntary Sector Quarterly*, *28*(2), 107-126.

Hirsch, P., & Levin, D. (1999). Umbrella advocates versus validity police: A life-cycle model. *Organization Science*, *10*(2), 199-212.

Hitt, M. (1988). The measuring of organizational effectiveness: Multiple domains and constituencies. *Management International Review*, *28*, 28-40.

Jauch, L., Osborn, R., & Martin, T. (1980). Structured content analysis of cases: A complementary method for organizational research. *Academy of Management Review*, *5*(4), 517-525.

Kaciak, E., & Louviere, J. (1990). Multiple correspondence analysis of multiple choice experiment data. *Journal of Marketing Research*, *27*(4), 455-465.

Kaplan, R. S., & Norton, D. (1992). The Balanced Scorecard—Measures that drive performance. *Harvard Business Review*, *70*(1), 71-79.

Kaplan, R. S., & Norton, D. (1996). Using the Balanced Scorecard as a strategic management system. *Harvard Business Review*, *74*(1), 75-85.

Katz, D., & Kahn, R. (1966). *The social psychology of organizations*. New York: John Wiley.

Kaynak, H. (2003). The relationship between total quality management practices their effects on firm performance. *Journal of Operations Management*, *21*(4), 405-435.

Kearns, K. (1994). The strategic management of accountability in nonprofit organizations: An analytical framework. *Public Administration Review*, *54*(2), 185-192.

Kolbe, R., & Burnett, M. (1991). Content-analysis research: An examination of applications with directives for improving research reliability and objectivity. *Journal of Consumer Research*, *18*(2), 243-250.

Kotler, P., & Andreasen, A. (1996). *Strategic marketing for nonprofit organizations* (5th ed.). London: Prentice Hall.

Kraft, K., Jauch, L., & Boatwright, E. (1996). Assessing organizational effectiveness in the service sector. *Journal of Professional Services Marketing*, *14*(1), 101-116.

Kushner, R., & Poole, P. (1996). Exploring structure-effectiveness relationships in nonprofit arts organizations. *Nonprofit Management and Leadership*, *7*, 119-136.
Lattin, J., Carroll, J., & Green, P. (2003). *Analyzing multivariate data*. Pacific Grove, CA: Thompson Learning.
Lewin, A., & Minton, J. (1986). Determining organizational effectiveness: Another look, and an agenda for research. *Management Science*, *32*(5), 514-538.
Luo, X. (2003). Evaluating the profitability and marketability efficiency of large banks: An application of data envelopment analysis. *Journal of Business Research*, *56*(8), 627-635.
Maisel, L. (1992). Performance measurement: The Balanced Scorecard approach. *Journal of Cost Management*, *6*(2), 47-52.
Maisel, L. (2001, May-June). Performance measurement practices: A long way from strategy management. *Balanced Scorecard Report* (HBSP Newsletter), 3-4.
Malhotra, N. (1999). *Marketing research: An applied orientation* (3rd ed.). Upper Saddle River, NJ: Prentice Hall.
McCabe, D., & Dutton, J. (1993). Making sense of the environment: The role of perceived effectiveness. *Human Relations*, *46*(5), 623-643.
Mellon, E. (1998). Not-for-profit organizations. In N. Nicholson (Ed.), *Encyclopedic dictionary of organizational behavior* (pp. 350-351). Oxford, UK: Blackwell.
Meyer, M., & Gupta, V. (1994). The performance paradox. In B. Staw & L. Cummings (Eds.), *Research in organizational behavior* (Vol. 16, pp. 309-369). Greenwich, CT: JAI.
Meyer, M., & O'Shaughnessy, K. (1993). Organizational design and the performance paradox. In R. Swedberg (Ed.), *Explorations in economic sociology* (pp. 249-278). New York: Russell Sage Foundation.
Miles, R. (1980). *Macro organizational behavior.* Santa Monica, CA: Goodyear.
Milligan, G. (1980). An examination of the effect of six types of error perturbation on fifteen clustering algorithms. *Psychometrika*, *45*, 325-342.
Morgan, G. (1997). *Images of organization* (2nd ed.). Thousand Oaks, CA: Sage.
Morin, E., Savoie, A., & Beaudin, G. (1994). *L'efficacite de l'organisation: Theories, representations et mesures* [Organization effectiveness: Theories, representations, and measures]. Montreal, Canada: Gaetan Morin Editeur.
Morin, J. (1984). Efficacite de l'entreprise [The effectiveness of the company]. *Direction et Gestion*, *2*, 59-68.
Morita, A. (1994). *Made in Japan*. London: HarperCollins Business.
Neal, J., & Biberman, J. (2004). Research that matters: Helping organizations integrate its spiritual values and practices. *Journal of Organizational Change Management*, *17*(1), 7-10.
Ngai, E., & Cheng, T. (1997). Identifying potential barriers to total quality management using principal component analysis and correspondence analysis. *International Journal of Quality and Reliability Management*, *14*(4), 391-408.
Pfeffer, J. (1982). *Organizations and organization theory.* Boston: Pittman.
Pritchard, R. (1992). Organizational productivity. In M. Dunnette & L. Hough (Eds.), *Handbook of industrial and organizational psychology* (2nd ed., pp 43-471). Palo Alto, CA: Consulting Psychologists Press.
Provost, L., & Leddick, S. (1993). How to take multiple measures to get a complete picture of organizational performance. *National Productivity Review, 12*(4), 477-490.
Quinn, R. (1988). *Beyond rational management: Mastering the paradoxes and competing demands of high performance*. San Francisco: Jossey-Bass.
Quinn, R. E., & Rohrbaugh, J. (1981). A competing values approach to organizational effectiveness. *Public Productivity Review, 5*(2), 122-140.
Quinn, R. E., & Rohrbaugh, J. (1983). A spatial model of effectiveness criteria: Towards a competing values approach to organizational analysis. *Management Science*, *29*, 363-377.
Robertson, P., & Seneviratne, S. (1995). Outcomes of planned organizational change in the public sector: A meta-analytic comparison to the private sector. *Public Administration Review*, *55*(6), 547-558.
Sandler, M., & Hudson, D. (1998). *Beyond the bottom line.* Oxford, UK: Oxford University Press.

Savall, H. (1975). *Enrichir le Travail Humain: L'evolution Economique* [To enrich the human work: The economic evolution]. Paris: Dunod.

Savall, H., Zardet, Z., & Bonnet, M. (2000). *Releasing the untapped potential of enterprises through socio-economic management*. Geneva, Switzerland: International Labor Organization.

Savoie, A., & Morin, E. (2000). Representacoes da eficacia organizacional: Desenvolvimentos recentes [Organizational effectiveness representations: Recent developments]. *Psychologica*, *27*, 7-29.

Schmid, H. (2002). Relationships between organizational properties and organizational effectiveness in three types of nonprofit human service organizations. *Public Personnel Management*, *31*(3), 377-395.

Scott, R. (1987). *Organizations: Rational, natural, and open systems* (2nd ed.). Englewood Cliffs, NJ: Prentice Hall.

Sellani, R. (1994). Organizational lag and its effects on financial performance. *Production and Inventory Management Journal*, *35*(3), 77-81.

Sharma, S. (1996). *Applied multivariate techniques*. New York: John Wiley.

Shenhav, Y., Shrum, W., & Alon, S. (1994). "Goodness" concepts in the study of organizations: A longitudinal survey of four leading journals. *Organization Studies*, *15*(5), 753-776.

Siciliano, J. (1997). The relationship between formal planning and performance in nonprofit organizations. *Nonprofit Management and Leadership*, *7*, 387-403.

Simon, H. (1957). *Models of man, social and rational*. New York: John Wiley.

Sink, D., Tuttle, T., & DeVries, S. (1984). Productivity measurement and evaluation: What is available? *National Productivity Review*, *4*(3), 365-387.

Snelders, H., & Stokman, M. (1994). Product perception and preference in consumer decision-making. In M. Greenacre & J. Blasius (Eds.), *Correspondence analysis in the social sciences: Recent developments and applications* (pp. 179-209). San Diego: Academic Press.

Staw, B., & Epstein, L. (2000). What bandwagons bring: Effects of popular management techniques on corporate performance, reputation, and CEO pay. *Administrative Science Quarterly*, *45*(3), 553-556.

Steadman, M., & Green, R. (1997). An extension of stakeholder theory research: Developing surrogates for net organizational capital. *Managerial Auditing Journal*, *12*(3), 142-147.

Steers, R. M. (1975). Problems in the measurement of organizational effectiveness. *Administrative Science Quarterly*, *20*, 546-588.

Sutton, R. (1999). Organizational performance as a dependent variable. In J. March (Ed.), *The pursuit of organizational intelligence* (pp. 338-354). Oxford, UK: Blackwell.

Taylor, F. (1911). *The principles of scientific management*. New York: Harper & Brothers.

Van der Kooij, A., & Meulman, J. (2004). *Multiple correspondence analysis—Revised and updated version of HOMALS—SPSS categories*. Chicago: SPSS.

Venkatraman, N., & Ramanujam, V. (1986). Measurement of business economic performance in strategy research: A comparison of approaches. *Academy of Management Review*, *11*, 801-814.

Vinten, G. (1996). Not-for-profit management. In M. Warner (Ed.), *International encyclopedia of business and management* (pp. 3684-3695). London: Routledge.

Wall, T. D., Michie, J., Patterson, M., Wood, S., Sheehan, M., Clegg, C., & West, M. (2004). On the validity of subjective measures of company performance. *Personnel Psychology*, *57*(1), 95-118.

Walton, E., & Dawson, S. (2001). Managers' perceptions of criteria of organizational effectiveness. *Journal of Management Studies*, *38*(2), 173-199.

Wels-Lips, I., Van der Ven, M., & Pieters, R. (1998). Critical services dimensions: An empirical investigation across six industries. *International Journal of Service Industry Management*, *9*(3), 286-309.

Werther, W., Kerr, J., & Wright, R. (1995). Strengthening corporate governance through board-level consultants. *Journal of Organizational Change Management*, *8*(3), 63-71.

West, T. (1998). Comparing change readiness, quality improvement, and cost management among Veterans Administration, for-profit, and nonprofit hospitals. *Journal of Health Care Finance*, *25*(1), 46-58.

Wilderom, C., Glunk, U., & Maslowski, R. (2000). Organizational culture as a predictor of organizational performance. In N. Ashkanasy, C. Wilderom, & M. Peterson (Eds.), *Handbook of organizational culture and climate* (pp. 193-209). Thousand Oaks, CA: Sage.
Wren, D. (1994). *The evolution of management thought* (4th ed.). New York: John Wiley.
Yin, R. (1994). *Case study research: Design and methods* (2nd ed.). Thousand Oaks, CA: Sage.
Zammuto, R. (1984). A comparison of multiple constituency models of organizational effectiveness. *Academy of Management Review*, *9*, 606-616.

Yehuda Baruch is professor of management at University East Anglia, Norwich, U.K. He has held visiting positions at the University of Texas at Arlington and London Business School. He has published extensively in the areas of careers, strategic and global human resource management, and technology management. He is current editor of Career Development International *and past-chair, Careers Division, Academy of Management.*

Nelson Ramalho is a lecturer at the Setubal Polytechnic Business School and is currently a Ph.D. student in social and organizational psychology with a specialty in organizational behavior at the Instituto Superior de Ciencias do Trabalho e da Empresa in Lisbon, Portugal.