Paper Topic:

Internalized Self-Evaluation:  
*An effective and sustainable approach to managing for results*

(Malaysian Evaluation Society Conference 2006)

Presenter:

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Program evaluation is often conducted by external "experts", and a budget is usually allocated for such external evaluation. But, in the 23 years of experience of the author, many problems emerge with a reliance on only external evaluation. One of the problems is that the funds have not been invested in the organisational capacity or infrastructure needed to conduct, implement and sustain evaluation and its recommendations.

Similarly a reliance on only internal evaluation also has its problems. An approach which I have tried to implement in a number of organisations is based on a collaborative approach to mixing internal and external evaluation advisors and evaluation approaches. To enable sustainability, in the author’s view, there needs to be a maturity of the organisation's approach to internal evaluation such that there is an investment:

- in performance measurement and monitoring systems which can provide data continuity and facilitate evaluation;
- in internal evaluations, especially formative evaluation for program improvement;
- in staff who have competence to develop, implement and use performance measurement systems and evaluations;
- by top management who have competence to support the development, implementation and use of performance measurement systems and evaluations across the whole organisation, and that the management are comfortable with self-evaluation (including the self-evaluation of the Board of Directors and CEO);
- in an evaluation framework which is developed to guide an integrated strategic approach to evaluation across the whole organisation.

This paper introduces some of the relevant concepts to suggest how organisations may plan, manage and self-assess their maturity and sustainability of self-evaluation as a basis for internalized Strategic Evaluation.

ACKNOWLEDGEMENTS

I thank the Malaysian Evaluation Society, and its President (Dr Rasappan) for the opportunity to present this paper on the 20th anniversary of a similar paper by Sharp, Winston, and Bhagwandas (1986) presented at the 3rd Australian evaluation conference which marked the formation of the Australasian Evaluation Society (AES).

The present paper is based on the ET&S Award keynote address for the International Evaluation Conference of the Australasian Evaluation Society, by the author delivered in Brisbane, July, 1993, and the follow-up paper published in the Evaluation Journal of Australasia (Sharp, 2005). With the assistance of students and colleagues, the author further developed these ideas through ongoing consultancies in various Government and non-Government agencies as well as initial participation in the global Organizational Project Management Maturity Model (OPM3) project to develop an organisational project management maturity model.
1. INTRODUCTION

1.1 Defining Internal Evaluation

A leading exponent of internal (self-) evaluation, Dr Arnold Love (1991, p. 2) defines Internal evaluation as “the process of using staff members who have the responsibility for evaluating programs or problems of direct relevance to an organization’s managers.” He draws the distinction from external evaluation which involves external consultants, academic researchers, or external funding agencies, because:

- Internal evaluations are directly managed by, and report to, the internal management of the organization; those engaged in the evaluation (“internal Evaluators”) have a direct responsibility for the evaluation function in the organization. “The foci of internal evaluators’ efforts are the concerns of the managers of the organization” (Love, 1991, p.2).

- By way of contrast “External Evaluators” are expected to be independent of management of the evaluand (program or organization) they are evaluating; their “primary responsibility for evaluation may rest with a funding body, a legislative committee, or a group of stockholders” (Love, 1991, p.2); they usually “study issues of interest to persons outside the organization being evaluated (e.g., funders, policymakers)” (Love, 1991, p.2).

However, as we will see shortly, there are many reasons not to draw this distinction too starkly if the aim is to develop sustainable evaluation capacity. Indeed the author has experience of being both an internal evaluation manager conducting evaluations and hiring external ‘Evaluators’ as well as being an external evaluation practitioner working for organisations which do not have an internal evaluation capacity and in some cases where they do. In other words he has been involved with all four conditions:

Type a: sole internal evaluation advisor;
Type b: internal evaluation practitioner contracting with an external evaluation practitioner;
Type c: sole external evaluation practitioner conducting evaluations and advising an organisation which does not have an internal evaluation capacity;
Type d: external evaluation practitioner conducting evaluations and advising an organisation which does have an internal evaluation capacity.

1.2 Aims

This paper aims to introduce some models for building evaluation capacity and sustainability using variations of internal evaluation which are intended to assist in developing organisational capability in the public sector. Drawing on 20 years of experience of developing internal evaluation (see Sharp, Winston, and Bhagwandas, 1986), as well as training evaluation staff and conducting external evaluations, the author intends to share some lessons he has learned and propose a model which may be of interest to those involved in organisational capacity building in self-evaluation in organisations.

But before elaborating, there are a few assumptions and caveats, which are important in the context of this Malaysian Evaluation Society Conference:

- The models discussed are still relatively new and are in need of much research to truly test and hopefully validate them. Nevertheless they follow a common trend in the development of management and evaluation theory in which authors interpret the literature in the light of their own experience and make an interpretive leap to fill a gap in the available literature or practice.
- These models were all developed in the context of the developed economies of in England, Australia and USA with governments committed to evaluation for accountability and continuous improvement. They are not necessarily suitable prescriptions for the Malaysian context, that is for you to decide.

2. APPROACHES TO ORGANIZATIONAL EVALUATION

Perhaps the first approach to organisational evaluation was known as organisational diagnosis in management theory which developed from the teaching of one of the founders of management theory, Henri Fayol. His concept of organisational diagnosis (OD) can be seen in a response to the basic evaluation question, as follows:

"What was the best method of taking a view of the organization of an undertaking and of determining what improvements were necessary?"

Henri Fayol replied:
"The best method is a study of what I have described as the administrative apparatus. If this is as it should be, it will be possible to secure precise information on the current situation and on the general process of the undertaking. One can also ascertain immediately that forecasting and planning, organization, command, co-ordination and control are properly provided for, that is to say that the undertaking is well administered. If there are gaps in the administrative apparatus, these are often pointers to weaknesses in the organization or to faults in the running of the undertaking." (Fayol, 1925, cited by Urwick, 1949, p. x)

Another approach to organizational diagnosis might be to start with program evaluation of outcomes and organization effectiveness in the environmental context and then work backwards to interpret the capability of the organisation. The former approach from Fayol is process oriented (like medical diagnosis) assumes the (patient) organization and its representatives are cooperative and aware of where the problem is "localized", or what it "feels" like. The latter approach (like competitor analysis) observes the organization's outputs and outcomes under structured analytical circumstances or stimuli and deduces the problem and its aetiology, without requiring the cooperation or awareness of the "patient" (or competing organisation).

Indeed, Manzini (1988) stresses the importance of evaluation in terms of specific outcomes to the organizational diagnosis approach: "the critical element is the attainment of organizational objectives" (p. 10). However, this begs one of the ongoing concerns of organisational behaviour (OB) and organisational development (OD) research and practice, viz. the political and ethical aspects of "control over the objective setting, the management and therefore the evaluation of change" (Guest, 1984, p. 214). In program evaluation the focus on stakeholder needs (e.g. Siegel, Attkisson, & Carson, 1978) and "goal free" approaches to evaluation have developed in an attempt to avoid this problem (see Scriven, 1980).

In general, organisational diagnosis (ODx) has shown greater insights from the combination of views in the form of internal (what the social psychologists and anthropologists call emic) and external (what the social psychologists and anthropologists call etic) perspectives. Such approaches need time to develop and emerge in stages of organisational maturity (see Lincoln & Guba, 1985; Pelto, 1970). Some similar insights have been proposed in the field of program evaluation (Lincoln & Guba 1985, Pelto, 1970; Scriven, 1991). But in program evaluation theory there have been too few attempts to show the development of evaluation capacity over a number of stages of organisational maturity (Love, 1991; McDonald, Rogers & Kefford, 2003; Rossi, Lipsey & Freeman, 2003). Similarly, internal evaluation does not occur in an organisational vacuum; indeed, evaluation theory and practice should account for the effects of organizational culture as an indicator of the sustainability of internal evaluation.

2.1 The "Internal" context: Personality and Culture

As Knowles (1990, p. 293) puts it "culture to the organization is what personality is to the individual". A recent reviewer of the Organisational Behaviour (OB) literature (O'Reilly, 1991) put it as follows:
"Organizations are fundamentally relational entities. .... Indeed, many of our theories are explicitly situational, often invoking variables at a higher level of analysis as moderators of cause and effect relationships." (O'Reilly, 1991, p. 446)

Indeed, such cause and effect relationships are important to the understanding of the role of evaluation, and the relationship of evaluation to management decision-making and accountability.

Much of the fascination with evaluation in the context of an ODx accounting for organizational culture stems from a growing understanding of the importance of “person-context effects at the individual, group and organizational levels (e.g. Rousseau 1990; Saffold 1988; Wiener 1988)” (O'Reilly, 1991, p. 448). As in any organisational function, internal evaluation interacts with these contextual factors at the individual, group and organisational levels.

So now let us explore the individual, group and organizational levels of the development of sustainable internal evaluation in organisations.
3. THE INDIVIDUAL LEVEL: COMPETENCY BASED SUCCESSION DEVELOPMENT

In order to sustain the development of an evaluation capacity in organisations and programs, top management should recognise that evaluation skills in key individuals are important and should be nurtured not assumed to be ubiquitous. An approach to succession development is needed in order to nurture capacity in self-evaluation of programs and to cope with the turn over of ‘Evaluators’ and project officers who come and learn about evaluation through a project then leave when the project or evaluation is over.

Nowack (1994) proposed a succession development approach based on identifying the competencies of the incumbent in the job which are crucial for effective job performance. This approach is then linked to other human resources systems to enable selection of a high-potential replacement candidate to implement personal development plans that focus on key skills tied to the job’s competency requirements and the program’s objectives. Here is how Nowack (1994) suggested this approach be developed:

3.1 Nowack’s (1994) 7 steps to Competency Based Succession Development

Step 1: Job Profile/Job Analysis: identify the required competencies for effective performance

Step 2: Managerial Competencies: defining the strategic competencies identified in step 1 to facilitate assessment and evaluation.

Step 3: Assessment Approaches. measure whether high-potential candidates within the organization have such competencies

Step 4: Administration: data-base management and tracking recruits and placements.

Step 5: Process and Analysis: conduct the assessment process with high-potential replacement candidates.

Step 6: Feedback and Implementation. The high-potential candidates for future managerial positions should receive feedback that is based on the results of the assessment process.

Step 7: Monitor, Evaluate and update the competencies and the approach to succession development.

As an internal evaluation manager, and as an educator of program evaluation practitioners or program managers, the author has found this approach crucial in developing the necessary skills in individuals engaging in program evaluation, as well as being an important link to sustainability via succession planning.

In the workshop to follow this conference this approach will be elaborated,

4. THE GROUP LEVEL: ORGANIZATIONAL CULTURE

The USA Government’s GAO (General Accounting Office, 2003) conducted research on the factors which contributed to the evaluation capacity of five US Government agencies. They found four key elements which were consistently evident in each of the five case studies. The four key elements are:

- Evaluation culture (shared values supporting and regular use of, evaluation through out);
- Data quality
- Analytical expertise (e.g. knowledge of research and evaluation methods);
- Collaborative partnerships among stakeholders.

In the experience of the author these key elements also apply in Australian organisations engaged in developing their evaluation capability.

In the workshop to follow this conference this approach will be elaborated.
5. THE ORGANISATIONAL LEVEL: ORGANIZATIONAL MATURITY

5.1 Developmental Stages of Internal Evaluation Capability
Love (1991) was one of the first to realize that the development of internal evaluation showed a trend to progress in stages. He formed a model of this progression which he called: “the developmental theory of internal evaluation” (Love, 1991, p. 30). Tables 1 and 2 depict his summary of the model. In the workshop to follow this conference this approach will be elaborated.

Table 1: Developing Internal Evaluation Capability
(Love’s 1991 Table 2.4, p. 31)
Developmental Stages of Internal Evaluation Capability

<table>
<thead>
<tr>
<th>TYPE OF EVALUATION INFORMATION MANAGEMENT</th>
<th>Inconsistent</th>
<th>Individual managers Accountable</th>
<th>Formal Planning and Control</th>
<th>Standardized definitions and measurement</th>
<th>Shared data across functions</th>
<th>Evaluation information resource management</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIMARY USERS</td>
<td>Individual projects</td>
<td>Operational level</td>
<td>Management control level</td>
<td>Management control level</td>
<td>Management control level</td>
<td>Strategic planning level</td>
</tr>
<tr>
<td>Stage 1 Ad Hoc</td>
<td>Stage 2 Systematic</td>
<td>Stage 3 Goal</td>
<td>Stage 4 Effectiveness</td>
<td>Stage 5 Efficiency</td>
<td>Stage 6 Strategic Benefit</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Internal Evaluation Stage Model
(Love’s 1991 Table 3.4, pp. 56 - 57)
Management Questions and Evaluation Methods at Each Stage of Evaluation Capacity

<table>
<thead>
<tr>
<th>Stage</th>
<th>Management Questions</th>
<th>Evaluation Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systematic Evaluation</td>
<td>Who needs this program? Who needs it the most? Who uses this program?</td>
<td>Needs Assessment</td>
</tr>
<tr>
<td></td>
<td>What are the program components? What are their causal relationships?</td>
<td>Program Utilization</td>
</tr>
<tr>
<td></td>
<td>What are the levels of client acceptance and client satisfaction with this program?</td>
<td>Client Satisfaction</td>
</tr>
<tr>
<td></td>
<td>What is the quality of the products or services produced by this program?</td>
<td>Quality Assurance</td>
</tr>
<tr>
<td></td>
<td>How well does this program rate against accepted standards?</td>
<td>Self-Study</td>
</tr>
<tr>
<td>Goal Evaluation</td>
<td>What are the goals of this program? What are the indicators of goal achievement?</td>
<td>Goal Definition</td>
</tr>
<tr>
<td></td>
<td>What is the program plan and budget?</td>
<td>Budgeting</td>
</tr>
<tr>
<td></td>
<td>Are income and expenditure meeting budget targets?</td>
<td>Management By Objectives</td>
</tr>
<tr>
<td></td>
<td>Are key program and organizational goals being met?</td>
<td>Goal Attainment Scaling</td>
</tr>
<tr>
<td></td>
<td>How well are program efforts and outcomes meeting targets?</td>
<td>Program Monitoring</td>
</tr>
<tr>
<td>Effectiveness evaluation</td>
<td>Is this a good program? Is the program producing the intended outcomes?</td>
<td>Monitoring of Outcome Indicators</td>
</tr>
<tr>
<td></td>
<td>Evaluation What are the areas for improvement?</td>
<td>Monitoring of Outcome Indicators</td>
</tr>
<tr>
<td></td>
<td>Is this program better or worse than a competing program?</td>
<td>Comparative Outcome evaluation</td>
</tr>
<tr>
<td></td>
<td>What are the costs for a given level of outcome?</td>
<td>Cost-Effectiveness Evaluation</td>
</tr>
<tr>
<td></td>
<td>What are the problems common to all programs and their solutions?</td>
<td>Quality Assurance Reviews</td>
</tr>
<tr>
<td>Efficiency Evaluation</td>
<td>What programs are inefficient?</td>
<td>Managerial Accounting</td>
</tr>
<tr>
<td></td>
<td>Is the program meeting its goals for the quantity of program activities?</td>
<td>Monitor Efficiency Goals</td>
</tr>
<tr>
<td></td>
<td>What problems are affecting efficiency? How can they be corrected?</td>
<td>Internal &amp; Operational Audits</td>
</tr>
<tr>
<td></td>
<td>What are the relationships among income, costs, and program outputs?</td>
<td>Quantitative Modeling</td>
</tr>
<tr>
<td>Strategic Benefits Evaluation</td>
<td>What are the characteristics of the external environment?</td>
<td>Environmental Scan</td>
</tr>
<tr>
<td></td>
<td>What markets are being reached by the program?</td>
<td>Strategic Market Analysis</td>
</tr>
<tr>
<td></td>
<td>What organizations support the program?</td>
<td>Network Analysis</td>
</tr>
<tr>
<td></td>
<td>What is the future demand for services?</td>
<td>Forecasting</td>
</tr>
<tr>
<td></td>
<td>What are the long-term benefits and costs of the program?</td>
<td>Benefit/Cost Analysis</td>
</tr>
<tr>
<td></td>
<td>Are the program’s benefits being distributed fairly?</td>
<td>Equity Analysis</td>
</tr>
<tr>
<td></td>
<td>Are the intended stakeholders receiving the benefits of the program</td>
<td>Political Rationality Analysis</td>
</tr>
</tbody>
</table>

In the experience of the author these stages also apply in Australian organisations engaged in evaluation.
developing their evaluation capability. Certainly the questions Love posed (in Table 2) are applicable in many organisational circumstances where there is an attempt to develop the capability of the organisation and its staff. However, we will see below that it is possible to elaborate on Love’s model to enhance its application in terms of the governance of an organisation.

5.2 Capability Maturity Models (CMM)
Independently of Love (1991) USA Government provided a similar model for project management, called a Capability Maturity Model (CMM). A CCM is based on an adaptation of the Software Engineering Institute's "®Software Capability Maturity Model" (SEI, 1999). The SEI developed the model as a tool for assessing an organisation's ability to build software applications. This approach has been adopted by various other leading organisations to create a model for assessing the management capability of organisations such as government departments. Basically a capability maturity model is a framework that describes the key elements of effective operational management (whether e.g., project or financial management). It sets out a path that an organization can follow to develop progressively more sophisticated management practices, as appropriate to the strategic context, and the organisation's level of sophistication or maturity in the particular area of operations. It shows the steps in progressing from a level of management typical of a start-up organization to the strong, effective, operational management capabilities associated with a more mature and strategically sophisticated organization. A CMM contains a hierarchy of statements of standards and options, for guidance in assessing the level of maturity and directing the organisation to goals of a higher level of maturity, as shown in Figure 1.

A second similarity is that program evaluation is often conducted by external "experts", and a budget is allocated for this external evaluation. But many problems emerge (in the 20 experience of the author) because the funds have not been invested in the infrastructure needed to conduct and implement the evaluation and its recommendations, such as:

- performance measurement and monitoring systems which can facilitate evaluation (see Sharp's 1996; NAOASA® model of performance measurement for evaluation);
- Internal evaluations, especially formative evaluation for program improvement (see Scriven, 1991; 2003; Sharp, 1995);
- Staff with competence to develop, implement and use performance measurement systems and evaluations;
- Top management support the development, implementation and use of performance measurement systems and evaluations.

A similar approach has been used in the development of the P-CMM (People Capability Maturity Model) by Curtis, Hefley, & Miller (1995) as in Figure 1. This was designed to "radically improve the ability of software organizations to attract, develop, motivate, organize, and retain the talent needed to continuously improve software development capability. The P-CMM is designed to allow software organizations to integrate work-force improvement with software process improvement programs guided by the SW-CMM" (Curtis et al, 1995). Again the model is based on the experience of software development, but it has been extended in a generic fashion as a guide to organisational improvement.

The Carnegie Mellon University’s Software Engineering Institute Capability Maturity Model building process has escalated to the point of the capability maturity model integration and the inclusion of other systems and standards such as risk management (Hefner, 2000). These developments are beyond the scope of the present paper, but are worth investigating in a context of organisational continuous improvement.

Here we will introduce one more off-shoot of the CMM process which is relevant to the organisational diagnosis process being developed here. The organisational project management capability maturity model (OPM3) is important as an analogy for program evaluation. The first similarity is that most program evaluations are conducted as separate projects (i.e. once-off temporary exercises with specified time and budget constraints). This is a basic limitation of program evaluation which organisations need to overcome for better organisational governance.

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In the workshop to follow this conference this approach will be elaborated.

Others have adapted and developed their own versions of the CMM. For example Kerzner (2001, figure 21-1) developed a similar model of 5 levels of maturity of the organisation (see Figure 2 below).
5.3 Organizational Project Management Maturity Model
Fahrenkrog, Baca, Kruszewski & Wesman (2003) provide a detailed description of the basics of the model. In developing such a common framework, it was necessary to understand the variables that drive organisational project management, identifying the capabilities that must be perfected for consistent and successful projects, as well as the opportunities and methods for transforming organizations from *ad hoc* or chaotic or undisciplined reactive project management, to a coordinated proactive, intelligent, and continuously improving project management approach. The large multinational team of volunteers that took on this task also understood the importance of going beyond the organizational and project-specific capabilities that executives and project managers assert that impact on project management success, but to delve into the data and analyse what actually happens when projects fail, and to fully explore the project management process (Fahrenkrog, et al. 2003).

For example one of the “level 5” maturity statements of the CMM (SEI, 1999) refers to Integrated Project Management as:

"The purpose of Integrated Project Management is to manage the project according to an integrated and defined process that is tailored from the organization’s set of standard processes. This process area ensures that the various functions and disciplines associated with the project effectively communicate, coordinate, and collaborate to satisfy the customer’s needs.

Goal 1) Use A Defined Process
The project is conducted using a defined process that is tailored from the organization's set of standard processes.” (Software Engineering Institute, 1999, p. 1)

5.4 Limitations
An important constraint on the content of these models is the organisational context. It is not possible to cover all contexts ranging from individual/personal project management through organisational *ad hoc* projects, to programs incorporating various projects, to the a system of enterprise project management which the OPM3 advocates. In order to provide a framework for analysis of these cases of project management in a public sector context, we have adopted the CMMM and Organizational Project Management Maturity Model (OPM3) concepts as they relate project management to an overall enterprise or organisational strategic situation. In effect we will focus on organisations which are developing a system for conducting projects, *not individuals who are project managers*; and organisational evaluation strategies, not individual evaluations or evaluation practitioners.
Another important concern is that the many references mainly focus on their own approach to developing a conceptual framework or model for project management of the so-called ‘correct’ way to plan, implement and evaluate a project. Another approach is to analyse and synthesise alternative solutions in some model cases. However, these approaches can create a false sense of rationality and predictability and control in project management; as if there was the one correct infallible way to achieve a project’s objectives or to conduct evaluation.

However, as long as we keep in mind these limitations, the basic concept of CMMs is still accessible and provides a useful basis for the development of a model of the evaluation and review process, see below. We will examine a public sector developed model which has use in organisational governance OD, and evaluation, as well as project management in an organisational context in the public sector.

6. APPLICATION OF THE CMM CONCEPT TO AN ORGANISATIONAL EVALUATION CAPABILITY HIERARCHY

6.1 Progressing Love’s model
In the evaluation literature there have been various attempts to classify the relationships between the many different types of data collection and decision oriented approaches to evaluation of programs or projects (e.g. see Owen & Rogers, 1999; Patton, 1999; Scriven, 1991). For example, one of the longest published books on evaluation (Rossi, Lipsey & Freeman's 2003), in its seventh edition has recently summarised the progression of evaluation questions in the form or an evaluation hierarchy (see Figure 3). Note the shaded levels are quite similar to Love’s (1991) stages of development of evaluation capacity (see Table 2). However, the evaluation hierarchy suggests that the upper layers are superior and build upon the lower layers. Love was not suggesting this relationship between the levels but rather they were stages of development.

![Figure 3 Evaluation Hierarchy](source: Rossi, Lipsey & Freeman, 2003, p. 80)

Like Love (1991), Rossi, Lipsey & Freeman (2003, pp. 79 - 81) identify a hierarchy of relationships between different types of evaluation questions and the issues which are the focus of program evaluations.

"We can think of these evaluation building blocks in the form of a hierarchy in which each rests on those below it. The foundation level of the evaluation hierarchy relates top the need for the program. Assessment of the nature of the social problem and the need for intervention produces the diagnostic information that supports effective program design, that is, a program theory for how to address the social conditions that program is intended to improve. Given a credible program theory, the next level of evaluation is to assess how well it is implemented. This is the task of process or implementation evaluation. If we know that the social need is properly understood, the program theory for addressing it is reasonable, and the corresponding program activities and services are well implemented, then it may be meaningful to assess program outcomes. Undertaking an impact evaluation to assess outcomes thus necessarily presupposes acceptable results from assessments of the issues below it on the evaluation hierarchy. If assessments have not actually been conducted on the logically prior issues when an impact evaluation is done, its results are interpretable only to the extent that justifiable assumptions can be made about those issues. At the top of the hierarchy we have assessment of program cost and efficiency. Pursuing questions about these matters is a relatively high-order evaluation task that assumes knowledge about all the supporting issues below it in the hierarchy. This is because answers about cost and efficiency issues are generally interpretable only when there is also information available about the nature of the program outcomes, implementation, theory, and the social problem addressed."
… When developing the questions around which the plan for an evaluation will revolve, therefore, it is best for the evaluator to start at the bottom of the evaluation hierarchy and consider first what is known and needs to be known about the most fundamental issues. When the assumptions that can be safely made are identified and the questions that must be answered are defined, then it is appropriate to move to the next level of the hierarchy. There the evaluator can determine if the questions at that level will be meaningful in light of what will be available about the more fundamental issues. By keeping in mind the logical interdependencies between the levels in the evaluation hierarchy and the corresponding evaluation building blocks, the evaluator can focus the evaluation the questions most appropriate to the program situation. At the same time, many mistakes of premature attention to the higher-order evaluation questions can be avoided.” (Rossi, Lipsey & Freeman 2003, pp. 80 - 81)

6.2 Developing the model of an Organisational Evaluation Capability Hierarchy (OECH)

However useful these inter-related evaluation questions (see Love 1991; Rossi et al, 2003) might be to the evaluation practitioner, or the program management they are still basically about program evaluation. They have not encompassed the next systemic level of evaluation, viz the organisational governance or Strategic Evaluation (Sharp, 1998). In order to address this important view, Sharp has attempted a version of Rossi et al's evaluation hierarchy which encompasses the spirit of Love's (1991) internal evaluation and built on the more recent organisational capability maturity models (e.g., see Figures 1 and 2) in that the evaluation of the organisation's projects and programs are seen as integral to the overall performance of the organisational governance.

**Figure 4: Organisational Evaluation Capability Hierarchy (OECH)**

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td><strong>Strategic Evaluation</strong> – by Board of Directors&lt;br&gt;evaluate the organisational governance including the Board’s &amp; Top Management’s performance &amp; contribution</td>
</tr>
<tr>
<td>4.</td>
<td><strong>Meta-analytic</strong> - meta-Evaluation by External evaluation&lt;br&gt;for systematic evidence based policy &amp; Systemic Benchmarking</td>
</tr>
<tr>
<td>3.</td>
<td><strong>Integrated</strong> - Internal &amp; External Evaluation &amp; Internal Audit&lt;br&gt;Evaluation is an essential part of Strategy, Program planning and implementation for continuous improvement and quality assurance (linked with internal audit)</td>
</tr>
<tr>
<td>2.</td>
<td>** Planned** – by Evaluation Unit&lt;br&gt;Coordinated Program &amp;/or Project Evaluations&lt;br&gt;Operational plans &amp; budgets routinely include evaluation</td>
</tr>
<tr>
<td>1.</td>
<td><strong>Ad hoc</strong> – by Managers - Uncoordinated Program Evaluations&lt;br&gt;Uncoordinated Program &amp;/or Project Evaluations</td>
</tr>
</tbody>
</table>

Based on the CMM style maturity hierarchy and program evaluation hierarchy of Rossi et al (2003) we can postulate a progression of levels of organisational evaluation maturity.

1. **Ad hoc evaluation**

It is a fair assumption that all organisations have some form of basic monitoring of financial, and service performance as part of the essential management and control processes. At the basic level of the Organisational Evaluation Capability Hierarchy (OECH) it is expected that there will be evaluations (probably formative or summative, Scriven, 1991), but they are likely to be commissioned in an uncoordinated manner. There may be a Government or Departmental policy requiring evaluations to be done at the milestones of the project or at three yearly reviews of programs. The evaluations may be a funding requirement of the programs &/or projects, and as such there is a danger that evaluations are conducted as a compliance exercise, rather than intended as a systematic part of the organisational governance capability improvement. There may be lip-service to using evaluation in strategic planning. But this is still ad hoc, depending on budget reserves, rather than a mainstream integral component of the organisation's strategy.
2. Planned evaluation
Where there is a specific Government or Departmental policy requiring evaluations to be done at the milestones of the project or at three yearly reviews of programs, and there is a specialist evaluation advisory unit or a coordinated approach to program &/or project evaluations &/or operational benchmarking, there is a beginning to organisational evaluation capability. Here the more sophisticated organisations attempt benchmarking (Rowlands, 1993) of specific projects or functions, as an approach to organisational diagnosis (Sharp, 1994a, 1994c) or organizational learning (see Sharp, 1996, 1996b).

So for this second step in the OECH, the evaluations are funding requirements of the programs &/or projects. But this is still quite ad hoc, and dependent on budget reserves, rather than a mainstream integral component of the organisation's strategy. Evaluations may be used widely in strategic planning in the organisation, but it can still be seen as a compliance exercise, rather than intended as a systematic part of the organisational governance capability improvement. There is still no evaluation culture in the organisation.

The superseding levels assume that there is not only a planned approach but also the evaluation is integrated into all aspects of the organisation's strategy and management.

3. Integrated evaluation
The third level includes evaluation as an integral part of the strategy & program planning and implementation. This level would be close to the optimal approach to organisational project management (as in the OPM3) where there is the integration of evaluation as part of project implementation and improvement as a requirement of the organisation's strategic plans.

4. Meta-analytic - meta-evaluation, meta-analysis
This level assumes the subordinate levels of evaluation capability, but now focuses on a more sophisticated and systematic approach to evidence-based policy or "evidence-based practice" such as in "realistic evaluation" (Kazi, 2003; Pawson, 2002a, 2002b; Pawson & Tilley, 1997, 2001; Tilley, 2000). At this level the more sophisticated organisations attempt Systemic benchmarking as an approach to system diagnosis (Sharp, 1994a, 1994c) or organizational governance learning (see Sharp, 2002; 2003).

There may be a level of involvement of the Board of Directors demanding better quality of evaluations and reviews, especially to address specific strategic management &/or organisational governance issues.

5. Strategic Evaluation
Levels 4 and 5 of the OECH may significantly overlap, depending on the sophistication of the evaluation of the policy, strategy and organisational governance. If the Board of Directors evaluate the organisational governance focusing on the Board's oversight of the Management of the organisation, then the organisation's maturity seems to be at the lesser level. If the Board of Directors or the governing body of the organisation, not only demands and uses evaluations as part of the normal organisational governance and the Board applies the same requirement to evaluation of the Board's and Directors' performance then it is safe to assert that this organisation is reaching the highest level of organisational evaluation capability.

7. METHODOLOGICAL ISSUES

One of the premises of this article is that organizations and their representatives may choose not to cooperate in providing information about the problems or dysfunctions of the organization's anatomy and physiology. Thus it would be useful for other organizational behaviour researchers and organization diagnostic analysts to develop some methods of inferring an understanding of these dysfunctions from the little sources of inner information and the techniques of systematic examination of available external environmental factors and the organization's behaviour.

7.1 The structuring of independent external observation of the organization's behaviour
The use of computerised content analysis may assist as an analytical tool in organization diagnosis provided annual reports and other documents, such as the corporate plan, may be obtained and
Researchers in the field of corporate planning (e.g., Jewell and Linard, 1992) have shown how accessible public documents, such as corporate plans, annual reports, staff and Management's newsletters, can be processed by computerized content analysis software.

Jewell and Linard (1992) have developed such an application of a commercially standard software package for outlining in word-processed text (using Lotus Agenda). Using the search capabilities of this textual data spreadsheet, they were able to analyse the consistency of corporate plans and annual reports.

This consistency checking process can be developed to assess the possibility of various functions (e.g., planning and operations) of an organization being disconnected (i.e., malfunctioning due to internal communication problems). These possibilities will need further research, both by aspiring organisations and by evaluation advisors, for this assessment process to be valid and useful.

8. IN SUMMARY: LESSONS FOR SUSTAINABILITY OF INTERNAL EVALUATION AND CAPACITY BUILDING

From the experience of the author (and various colleagues), one can draw various lessons from these papers, such as:

a) Any start is better than none and a small start allows the internal evaluation staff to build confidence as they complete various evaluations and grow evaluation capacity (Duttweiler, & Grogan, 1998; Love, 1991; McDonald et al, 2003; Sharp, 2003; Sharp, Winston & Bhagwandas, 1986);

b) Develop an action research approach to building evaluation capacity, including facilitating an action learning set (or Community of Practice, see Sharp & Moller, 2001) among colleagues interested in developing evaluation capacity, as this could help to disseminate the learning and empower and encourage other staff to use evaluation, not just the managers or those perceived as 'Evaluators' (Duttweiler, & Grogan, 1998; Sharp, Winston & Bhagwandas, 1986); also this could assist in applying behaviour change techniques in addressing organisational change processes (McDonald et al, 2003; Sharp, 1993a, 1993b and 1993c);

c) Pursue the development of both evaluation resources for frontline staff (bottom-up) as well as engaging with top management (top-down) in seeking out opportunities to advise on, and conduct evaluations (Love, 1991; McDonald et al, 2003; Sharp, Winston & Bhagwandas, 1986);

d) Pursue the development of both emic (internal evaluation) and etic (external evaluation) perspectives as they encourage greater maturity of the organisation and enable access to wider pool of evaluation resources than either one of these approaches alone (Sharp, Winston & Bhagwandas, 1986);

e) Develop an evaluation framework that the organisation and staff can understand and use in evaluating all projects and programs (Australian Youth Foundation & Sharp, 1996; McDonald et al, 2003; Sharp, Winston & Bhagwandas, 1986);

f) Meta-evaluation: do evaluation unto yourself before it is done unto you, by making sure the evaluation model and action learning approach is evaluated at every opportunity the evaluation staff can be seen as role models and staff and executives will learn to trust your approach (Australian Youth Foundation & Sharp, 1996; McDonald et al, 2003; Sharp, Winston & Bhagwandas, 1986).

9. FURTHER RESEARCH

Obviously there are limitations on the extent to which the organisational capability or maturity models can be applied experimentally for research purposes. However, research on organization capability maturity is badly needed. But in practice these models are as good a place to start as any.

The research program associated with this paper is being conducted on public sector organizations. To do so the researchers need to have access to the internal papers of the Board of Directors as well as other relevant documents.
as public documents, such as corporate plans, annual reports, staff and Management's newsletters.

The research has its problems (see Sharp, 2003) but we continue to pilot test the methodology while beginning to investigate and document the organizational culture and changes in some organizations which seemed to be affected by the macrocosmic changes in policy towards managerialism in the last five years. The researcher will attempt the study in two organizations: one which has directly been subjected to the policy of managerialism and one which has experienced it indirectly. Both have experienced substantial structural change. These organizations were also selected because of their accessibility to top levels of management and internal information by the researcher.

The research methodology will involve collecting information about the organization's culture, objectives, strategic management, staffing indicators and effectiveness indicators before and after the introduction of the major changes in policy towards "managerialism" or political circumstances. The main sources of data will be:

a) interviews of key informants from competitors, or relevant external sources;

b) content analysis of public documents and minutes of relevant meetings (using BFAM and PlanSpec, developed by Jewell & Linard, 1992);

c) a survey of consumers or clients of the organization affected by the change using inventories designed to measure organizational effectiveness;

d) staffing and performance indicators used by the organization in its annual reports to government.

The data gathered should be compared across two different times of the organization's change process to address the issues of maturation, and to allow inference about how the key factors may have influenced the changes.

Readers and workshop participants can assist in this important research by conducting your own self-assessment (e.g. see Exercises 1 and 2) and similar internal organisational diagnosis. If you wish to be involved in the research please contact the Principal researcher:

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10. REFERENCES
APM (Association of Project Managers, UK) Group Limited has developed a Project Management Assessment Centre [http://www.apmgroup.co.uk/assessment.htm]
They claim it is the only comprehensive multi-industry psychometric survey of competent and able Project Managers.


