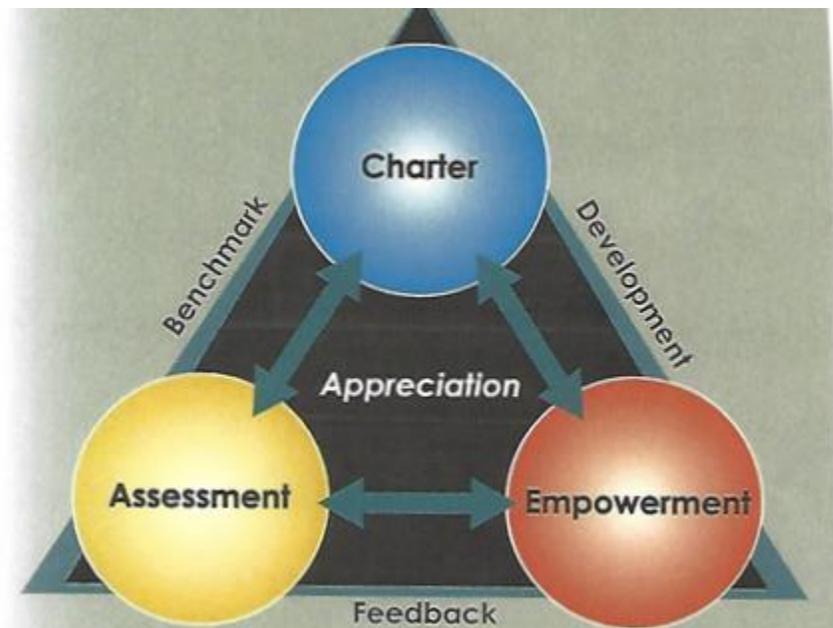


Theory E²: Working with Entrepreneurs in Closely Held Enterprises: XII. Assessment in the Enterprise Cycle (Part One)

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In the previous essay (XI) I introduced a key concept in the creation of an appreciative, closely held enterprise: appreciation requires that one dwells in and frequently return to three domains: information, intentions and ideas. Six strategies are engaged which enables one to move successfully through these three domains. I have identified the sequencing of these six strategies as the *Enterprise Cycle*. Furthermore, I framed these six strategies in a graphic I call the *Appreciative Triangle*.



Assisting in the retention of these six strategies, I have assigned them names that begin with the first six letters in our alphabet: (1) assessment, (2) benchmarking, (3) chartering, (4) development, (5) empowerment and (6) feedback. Each of the strategies relates specifically to one or two of the three domains:

Assessment: Domain of Information

Benchmarking: Domains of Information and Intentions

Chartering: Domain of Intentions

Development: Domains of Intentions and Ideas

Empowerment: Domain of Ideas

Feedback: Domains of Ideas and Information

I have also assigned each of the three pure-domain strategies a specific color – which relates to a theory of leadership I have described in previous essays in this series. The Assessment strategy relates directly to what I have identified as a Thoughtful (Golden Yellow) style of leadership, while the Chartering strategy relates to an Inspiring (Azure Blue) leadership style and the Empowerment strategy to an Assertive (Ruby Red) style of leadership. The fourth Participating (Rainbow) style of leadership involves the collaborative engagement throughout the Enterprise Cycle of all six strategies.

With this brief overview we are ready to explore each strategy in some detail. I begin a series of essays by introduce key concepts regarding the Assessment strategy.

Assessment in the Enterprise Cycle: An Overview

ASSESSMENT

Domain: INFORMATION

Objective: Maximize the generation of and access of employees and others who are implementing ideas in a closely held enterprise to valid and useful information about the performance of specific program units in this enterprise, this information being provided in an appreciative, timely and systematic manner, based on the mission, vision, values and purposes of the enterprise.

[Note: This section of Essay XII and the following essay (XIII) in this series are based on a document I prepared in the early 1980s for the evaluation of a major higher education program that had received substantial funding from a large American foundation. These essays were later revised so that they might relate to a broader range of programs. I had intended to update these essays – but found that they held up very well over the many years. I decide to publish these essays as part of the Closely-Held Enterprise series as they were originally written. I hope you find them to be of relevance in your own work with entrepreneurs.]

“The tragedies of science,” according to Thomas Huxley, “are the slayings of beautiful hypotheses by ugly facts.”ⁱ The entrepreneurial leaders in many closely held enterprises face this prospect when confronted with the need to design or select ways of evaluating their efforts. Program assessment may indeed be threatening to their cherished notions about how human and organizational resources are developed and about how change and stabilization actually take place. More immediately, evaluation can be threatening to one’s beliefs regarding how a particular project is impacting a particular department or group of customers.

In this essay and several to follow, I review a series of appreciative concepts and tools that can reduce this threat by making the evaluative process clearer and more supportive. We will also identify feedback strategies that enable the program evaluation process to actually be pleasant and constructive. Effective program evaluation is a process that can be uncomfortable, for all growth and change involve some pain. Program evaluation, however, can be constructive. Furthermore, if it is appreciative, this evaluation process can meet the needs of both those who are serving and those who are being served by the program.

History of Program Evaluation

First, a brief excursion through the history of program evaluation and, in particular, through the major issues regarding the purposes that program evaluation serves and the various forms that program evaluation takes in serving these purposes. Probably the most important fact to keep in mind is that program evaluation is not commonly used in most sectors of contemporary society. Much of the work done in this area is confined to educational and human service programs and, in particular, to the evaluation of programs for funding purposes or for continuing accreditation or authorization.ⁱⁱ

Many of the advances in evaluation have been made by members of or consultants to major philanthropic foundations (such as the W. K. Kellogg Foundation and the Lilly Endowment) or the United States Federal government who are asked to determine the worth of a program that has been funded or may be funded by their institution. Other advances have been made by those given the task to determine if a school or college should be granted a specific accreditation status.

Program evaluation has also been widely used in the sciences, criminal justice, medicine and social welfare, once again often associated with the assessment of program worth by governmental funding agencies. Following Sputnik, increasing attention was given to the achievements of American research initiatives, while attention also increased with regard to the success of heavily-funded social programs under the banners of “The Great Society” and “War on Poverty.”ⁱⁱⁱ

Expanded and Maturing Application of Program Evaluation

In recent years, program evaluation has become more common within corporations and nonprofit organizations. In most cases, this growing interest is unrelated to outside funding sources; rather, it emerges in closely held enterprises from a growing concern about quality products and services, and the growing concern about assessing the costs and benefits associated with specific program offerings.^{iv} Whether one is leading a nonprofit or for profit enterprise that is closely held, the dollars are inevitably scarce and the world in which one’s organization is operating will be complex, unpredictable and turbulent. It is critical under such conditions to attend carefully to the assessment-based processes involved in program evaluation. It is in this domain of information that we find the guidance for review of our organization’s intentions and generation of realistic and effective ideas that translates to appropriate and effective action.

Accompanying this expansion in the size and scope of program evaluation initiatives is the maturation of the field. A clearer understanding of the differing functions played by specific evaluation strategies has been complimented by a clearer sense of those features that are common to all forms of program evaluation. The most important distinction to be draw regarding program evaluation functions concerns the use of evaluation processes to determine the worth of a program and the use of evaluation processes to assist in the improvement of this program. The terms used to identify these two functions are: formative and summative.

Formative and Summative Program Evaluations

Paul Dressel differentiates between summative evaluation that involves “judgment of the worth or impact of a program” and formative evaluation that Dressel defines as “the process whereby that judgment is made.”^v The evaluator who is usually identified as the author of this distinction, Michael

Scriven, offers the following description of these two terms. According to Scriven, formative evaluation:^{vi}

. . . is typically conducted *during* the development or improvement of a program or product (or person, and so on) and it is conducted, often more than once, *for* the in-house staff of the program with the *intent to improve*. The reports normally remain in-house; but serious formative evaluation may be done by an internal or external evaluator or (preferably) a combination; of course, many program staff are, in an informal sense, constantly doing formative evaluation.

As described by Scriven, summative evaluation:^{vii}

. . . is conducted *after* completion of the program (for ongoing programs, that means after stabilization) and *for* the benefit of some *external* audience or decision-maker (for example, funding agency, oversight office, historian, or future possible users), though it may be *done* by either internal or external evaluators or a mixture. The decisions it serves are most often decisions between these options: export (generalize), increase site support, continue site support, continue with conditions (probationary status), continue with modifications, discontinue. For reasons of credibility, summative evaluation is much more likely to involve external evaluators than is a formative evaluation.

Scriven borrows from Bob Stake in offering a less formal but perhaps more enlightening distinction between formative and summative: “When the cook tastes the soup, that’s formative; when the guests taste the soup, that’s summative.”^{viii} From an appreciative perspective, formative evaluation can be said to be an exercise in fully understanding the complex dynamics and causal factors influencing the operation of a program. By contrast, a summative evaluation allows one to identify and build on the specific successes and strong features of a specific program unit. Both formative and summative evaluations can be appreciative. The comprehensive appreciation of any program unit involves both formative and summative evaluation processes.

Ed Kelly, an experienced program evaluator from Syracuse University, further differentiated judgments concerning the extent to which the intentions of the program were satisfied and judgments concerning whether or not the program was any good.^{ix} Concern for judgment necessarily involves issues of values, criteria, goals, customers and audience; concern for evaluative process necessarily

involves issues of method, instrumentation and resources. Both approaches to evaluation require a clear definition of clientship, a precise sense of the role of evaluation and an explicit understanding of the way the judgment or process will be used by the program staff and others.

Conclusions

In essence, program evaluation in a closely held enterprise involves development of a process whereby program activities can be interrelated and compared to program expectations, goals and values. Effective entrepreneurship involves the close monitoring of cause and effect, as well as the agile adjustment of program activities in response to this monitoring. The nature of this entrepreneurial interrelationship will vary considerably. In some instances, external assistance will be required to establish the process, while in other instances the external assistance will be used to provide the interrelationship (judgments) once the process has been defined. In yet other instances, the external assistant (evaluator) both identifies the process and provides the judgments.

Regardless of the process being used, an effective program evaluation effort will commence with the initial planning of the program. In planning for any program, or in deciding on the initiation of a proposed program, the processes of evaluation are inevitably engaged. Those who plan the program will be concerned with the validity of their assumptions about needs, strategies and resources. Those who review their proposal will ask questions about feasibility, attractiveness, and probable success. Others will ask how program achievement is to be measured. Program evaluation is not a topic to be addressed at the end of a planning process. Program evaluation should be a vital and influential element that is given serious consideration throughout the process.

ⁱ Thomas Huxley, quoted by Stephen Issac, *Handbook in Research and Evaluation*. San Diego: Edits Productions, 1971.

ⁱⁱ Scarvia Anderson and Samuel Ball. San Francisco: Jossey-Bass, 1978, p. 212-13; Michael Quinn Patton, *Utilization-Focused Evaluation*. Beverly Hills, CA: Sage Publications, 1978, pp. 14-17.

ⁱⁱⁱ Edward Suchman. *Evaluative Research*. New York: Russell Sage Foundation, 1967, pp. 1, 12-15.

^{iv} Blaine Worthen, James Sanders and Jody Fitzpatrick. *Program Evaluation: Alternative Approaches and Practical Guidelines*. Second Edition. New York: Addison Wesley Longman, 1997, pp. 483-491.

^v Paul Dressel, *Handbook of Academic Evaluation*. San Francisco: Jossey-Bass, 1976, p. 1.

^{vi} Michael Scriven. *Evaluation Thesaurus*. Fourth Edition. Newbury Park, CA: Sage Publications, 1991, pp.168-169.

^{vii} Michael Scriven. *Evaluation Thesaurus*. Fourth Edition. Newbury Park, CA: Sage Publications, 1991, p. 340.

^{viii} Michael Scriven. *Evaluation Thesaurus*. Fourth Edition. Newbury Park, CA: Sage Publications, 1991, p. 169.

^{ix} Robert Diamond and others, *Instructional Development for Individualized Learning in Higher Education*. Englewood Cliffs, New Jersey: Educational Technology Publications, 1975, p. 77.