



Say the word “assessment” and eyes begin to glaze over! But some nonprofit organizations are beginning to realize the significant benefits which come from conducting an internal evaluation. In fact, the value of an organization assessment is so strong that we believe they should be conducted at least as often as a financial audit, and that no major change effort should ever begin without first performing a comprehensive review. Some of the benefits to conducting internal evaluations include:

- Assessments provide an objective benchmark against which future progress can be measured, even if what is being evaluated is subjective in nature.
- Assessments insure that “top priorities” are indeed top priorities.
- Assessments provide a context for understanding why change is important, and even necessary.
- Assessments create a sense of ownership of the current situation and the need for improvement.
- Assessments encourage open communication between non-management staff and leadership, a quality to successful change initiatives.

Who benefits?

Everyone who has a vested interest in seeing your ministry work effectively and efficiently will benefit from conducting an organizational evaluation. To be sure, the results of an evaluation are not for external use. Your donors and key supporters will be able to distinguish between those organizations who take the time to identify their top priorities—and then build action plans around those priorities—versus those that do not.

The goal is betterment, not perfection. Wise donors respect organizations that honestly recognize and address internal constraints, and balance the goal of internal improvement against the pursuit of new ministry programs.

What does it include?

Tools which clarify the culture of an organization and portray the unique personalities of colleagues have been around for a long time. These personality “inventories,” as they are often called, do a good job of defining individual strengths and improving the way people relate to each other. But understanding individual strengths is only a small part of an organization’s condition. A complete evaluation is one that assesses an organization in three major areas:

1. **Organization Strategy.** Includes the behaviors vital to envision-

ing a future, creating something of value in the eyes of customers, and then building and sustaining a unique position in the marketplace.

2. **Organization Design:** Includes the internal structures and systems of the organization, including your staff structure, the condition and use of information, and the organization’s unique skills and abilities.
3. **Organization Culture:** Includes the behaviors necessary for building and sustaining a strong staff and competent leadership.

How is it accomplished?

Assessing subjective, qualitative matters is usually more difficult than evaluating their objective, quantitative counterparts. For example, most people have no problem reviewing actual versus budgeted financial results

“Assessments provide context for understanding why change is important.”

(though many organizations fail to even do that) and drawing conclusions, but find the challenge of evaluating, say, fundraising systems to be much more difficult. Obviously, determining the condition of such systems requires a different approach.

Assessing subjective issues requires evaluating *behaviors* and *practices* more than specific results. In 1 Timothy, Paul depicts this principle when it directs the church to evaluate its leaders by looking at the fruit and condition of their personal lives. To do this, however, requires that we first understand the behaviors, practices, and results common to world-class organizations.

For example, evaluating the human resource systems in an

organization means knowing that selective recruiting practices, employee orientation programs, performance management processes, staff development and continuous learning systems, and reward programs are all vital elements to cultivating a healthy staff. Once those elements have been identified, they can then be further broken

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down to specific behaviors and practices which are necessary for a healthy human resource system.

Having a broad understanding of the breadth of issues important to a healthy organization is difficult without becoming a serious student of organizational practices. Many ministries hire a consultant to assist them with this process.

Minus a consultant, an internal survey is needed. It would be used to obtain input from staff, much as you might survey your donors for their interests in your ministry and their satisfaction in their relationship with you. Results are then synthesized into a handful of conclusions.

An assessment instrument will reduce the amount of consulting time and cost typically needed to deliver a comprehensive report. The results may be so compelling that donors, board members, or even foundations will be interested in underwriting a portion of the engagement fee.

Conclusions

Donors have an interest in identifying “world-class” institutions. They desire to know they are supporting organizations that are continuously developing

greater competence and capacity. Board members and management teams must understand that change begins, not with staff memos, software conversions, or retraining programs, but with *assessment*. Assessment results, in turn, must be used to develop specific action plans that reflect how deficiencies will be turned into strengths.

I am convinced the strategic and financial impact of such an effort on your organization will do more for your donors, customers, and staff than virtually any other single effort you could initiate. ☺

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