Evaluation in the Private Sector: 
Evolution and Professionalization 
of Quality Management

Arnold J.A. Godfroij

This article reviews different approaches to quality management in the private sector from an evolutionary perspective. Two dimensions of this evolution are crucial: the scope of evaluation ("product" versus "system") and the objective versus intersubjective orientation. Experiences within the private sector can be relevant for the public sector, with adaptation for public sector characteristics. Complexity of both object and process of evaluation has implications for the professionalization of the evaluation function.

Introduction

The history of quality management in the private sector shows an interesting evolution along two dimensions. First, the dominant orientation has been broadened from the product to the total system of production and delivery, and from product-related criteria to external criteria (for example, the environmental impact of products and production processes). Second, an evolution of views and practices has taken place concerning the involvement of various types of actors. These developments point to an increasing complexity of the quality management function. Therefore, the first aim of this paper is to examine the implications of this evolution for the professionalization of this function.

The private and the public sector have, with respect to quality management and evaluation, followed their own lines of development. Even the key concepts—quality management and evaluation—have a different meaning, especially with respect to the relation between diagnosis and intervention. However, their basic question is the same: how can we assess realized performance and use the results to improve future performance? Besides, the boundaries between the private and the public sector are blurring more and more (Godfroij & Nelissen, 1993) and both sectors try to learn lessons from the
other. Therefore, the second aim of this paper is to explore the relevance of
the above mentioned questions for evaluation in the public sector.

This paper begins with a comparison of the characteristics of public and
private organizations in order to create a framework for translating evalu-
ation approaches. The following section sketches some milestones in the
history of quality management in the private sector, describing changes in
the delineation of the object of evaluation, the criteria of evaluation and the
involvement of a variety of actors, who have different positions and adhere
to different norms and values. The next section explores the relationship
between the objectification of quality management systems and the subje-
tive elements implied in the role of actors and the values they hold. This is
followed by an examination of the significance of this evolution of ap-
proaches for the professionalization of the evaluation function, referring to
the complexity and analyzability of the object of evaluation. It is argued
that the issue of professionalization should be considered at the individual
as well as the organizational level. Finally, this paper discusses the relevance
of the analysis for public sector organizations.

Evaluation in the Public and Private Sectors

The relevance of private sector evaluation approaches for public sector
organizations should be related to similarities and differences between the
two sectors with respect to their targets and success criteria, their client
systems, products and services, influence of stakeholders, and requirements
with respect to public accountability. For example, compared to private
enterprises, the products and services of public organizations are often less
concrete and specific, and processes have to meet criteria other than techni-
cal efficiency. For public organizations, the set of relevant stakeholders is
more differentiated, client systems are often more diffuse and anonymous,
and feedback processes from client groups can be more indirect and com-
plicated. Because of these differences, public organizations have to be app-
raised by other and often more complex standards than do private
organizations, such as equal accessibility, equity, and democracy. This sug-
gests that public sector performance has to meet more diffuse and diverse
criteria, and can be judged less easily.

On the other hand, the required performance of public organizations can
be regulated quite explicitly. Procedures are often defined more clearly, with
a view to accountability and democratic control. And because governments
today have huge financial problems, financial criteria are often very spe-
cific. Thus, clients, products, and processes of public organizations are of-
ten clearly defined, qualitatively as well as quantitatively. Furthermore,
private enterprises also have to take into account more than just economic
and technical requirements and often use quality management systems,
which pay attention to internal social factors as well as societal claims and
standards. Thus, the contrast between public and private organizations is
only limited. In the field of evaluation, the challenge is basically the same,
although public sector evaluation can be more complicated.