Once the technology has been rolled out, it frequently goes through a process of testing and evaluation during which decision-makers and users attempt to confirm, modify or reject the choice. Various measurement issues must be considered taking a balanced approach including both hard (e.g., financial, uptime) and soft (individual satisfaction, group morale and functioning) measures across individual (customer and employee), group, organisational and societal levels of analysis. Eventually, the successful new technology or innovation gets incorporated, both technically and socially, into ‘the way we do things around here’. It becomes the norm and part of the routine.

In this chapter, therefore, we will first discuss the importance of measurement for the success of strategy and technology implementation. We will then look at the issue of what to measure and how we need a number of balanced measures that link strategic and operational objectives. Finally, we will address the issue of when to measure and the importance of feedback.

The Importance of Measurement

The first thing to say about the measurement of organisational change is that we have known for years that it cannot be done perfectly. Unlike experimental evaluation done under controlled conditions, the evaluation of real-world organisational change suffers from multiple purposes, overlapping and interdependent interventions, and many other difficulties associated with ‘field’, as opposed to ‘laboratory’, conditions.

Since we cannot do it ‘correctly’, why should we do it at all? There are several good reasons to evaluate organisational change, even though it must be done imperfectly. Increasingly we are being asked to justify the high costs (both direct and indirect) of change interventions with hard data. Since organisations are under great pressure to cut costs and do more with less, this trend is likely to continue. We are asked if the ends justify the means,
if the outcome was achieved, and was it worth the effort and expense? We
must therefore be able to account, even if it is an imperfect accounting,
for the success and the costs of change. It is better to be vaguely right than
precisely wrong.

Another reason to try to measure organisational change, even though we
cannot do it perfectly, is because research indicates that organisations which
measure are more likely to succeed. Research suggests ‘measurement plays a
crucial role in translating business strategy into results … You simply can’t
manage anything you can’t measure’ (Lingle and Schiemann, 1996, p. 56). In
fact, data show organisations that are tops in their industry, stellar financial per-
formers and adept change leaders distinguish themselves by the following five
characteristics (Lingle and Schiemann, 1996; Schiemann and Lingle, 1997):

1. They have agreed-upon measures that managers understand.
2. They balance financial and non-financial measurement.
3. They link strategic and operational measures.
4. They update their strategic ‘scorecard’ regularly.
5. They clearly communicate measures and progress to all employees.

These five characteristics will provide us with the structure for the remain-
der of this chapter and each will be discussed in the subsections that follow.

What Should We Measure?

The first characteristic of effective measurement-oriented organisations,
according to Lingle and Schiemann (1996), is that they have agreed-upon
measures that managers understand. Managers in these well-measurement-
managed organisations know the answer to the question: ‘What are we
going to measure: the changes/progress/the process of change/the out-
come(s) of the change?’

This highlights one of the most basic distinctions in the design of evalu-
ation research. Formative or process evaluation designs concentrate on
providing regular, systematic feedback to programme designers and imple-
menters so they can modify the programme on an ongoing basis (Legge,
1984). Summative or outcome evaluation, on the other hand, is concerned
with identifying and assessing the value of programme outcomes in the light
of initially specified success criteria, after the implementation of the change
is completed (Legge, 1984). In other words, are we going to measure our
change process and progress and/or are we going to measure the outcomes?