

# 6 Establishing the Evaluation System

## Learning objectives

- Know the aims of establishing a permanent, comprehensive evaluation system in event and tourism organisations.
- Understand the meaning of a 'learning organisation' and the critical importance of evaluation in fostering adaptability, innovation and success.
- Understand evaluation issues related to organisational culture and change.
- Be familiar with triple bottom line and balanced scorecard models and how they inform evaluation.
- Understand how a strategy map incorporates the evaluation system.
- Be able to plan and implement an evaluation system for an organisation.

## 6.1 Introduction

This chapter provides the concepts necessary for establishing a permanent, comprehensive evaluation system. The recommended system is a goal-attainment model that ties in directly with strategic planning and enables continuous improvement. The essential ingredients are goals, key performance indicators, and a toolbox of methods. There are limitations to this approach, so we discuss 'tunnel vision' and how to prevent it.

These are the aims of a comprehensive system for event and event-tourism evaluation:

- ◆ Be a permanent, systematic and well integrated part of the organisation.
- ◆ Help implement a learning organisation and contribute to continuous improvement, innovation, and adaptation.
- ◆ Provide essential data and feedback within event/tourism planning and management.
- ◆ Reflect all stakeholder concerns and diverse values related to the economic, environmental, social and cultural dimensions of events and tourism.
- ◆ Reflect both extrinsic and intrinsic approaches to evaluation.

- ◆ Derive from, reinforce and assist in the formation of strategy.
- ◆ Employ goal-attainment and utilize key performance indicators.
- ◆ Be able to identify unexpected, negative and external outcomes.
- ◆ Apply methods and measures appropriate to wide-ranging issues.
- ◆ Provide sound and actionable evidence for making decisions, solving problems, and establishing merit and worth.

## 6.2 The learning organisation

Peter Senge popularized the concept of the learning organisation through his 1990 book *The Fifth Discipline*. According to Senge (1990:3) learning organisations are:

*“... organisations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.”*

Senge believed that only flexible, adaptive and productive organisations will excel. There is a competitive advantage for an organisation whose workforce can learn more quickly than other organisations. The organisation must provide an environment, or culture, in which reflection and engagement are encouraged.

Senge articulated five basic ‘disciplines’ required for learning organisations.

- ◆ The first is *systems thinking*, viewing the organisation as a whole in relation to its environment – more on this follows.
- ◆ The second discipline is *personal mastery*, being the commitment by individuals to the process of learning, and from this mechanisms must be established to ensure the entire organisation learns.
- ◆ *Mental models* are the assumptions held by individuals and organisations, and they must be challenged. Organisational culture, embodying values, mental models and theories about how things should be done, is often a reflection of founders’ visions and is resistant to change. But a learning organisation has to foster an open culture, meaning that evaluation has to lead to changes.
- ◆ The fourth discipline is *shared vision*, which can motivate staff to evaluate and learn. Senge argued that flat, decentralized organisational structures are best for this, not one in which a vision is imposed top-down. Vision leads to goals.
- ◆ Fifth is *team learning* and this discipline seems especially relevant in event management. Teams must be open to other teams, and accumulating knowledge must inform organisational learning. Knowledge management systems have to be put in place, and this includes evaluation.

## 6.2.1 Organisational culture

The learning organisation introduces a related concept, that of *organisational culture*. Here is a definition:

*“The values and behaviors that contribute to the unique social and psychological environment of an organisation. Organisational culture includes an organisation’s expectations, experiences, philosophy, and values that hold it together, and is expressed in its self-image, inner workings, interactions with the outside world, and future expectations. It is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid.”*

Source: <http://www.businessdictionary.com/definition/organisational-culture.html>

Organisational cultures are unique and can be difficult to change. Why might evaluation be resisted? Some events are essentially amateurish (and this is not the same as being incompetent) and the leaders or volunteers want to avoid bureaucracy, complications, and extra work; they are happy doing things in the same way and will resist change in general. Even in professionally-managed organisations the dominant culture might be one of “this is how we do things” or “we always did it this way and it’s good enough”. In these contexts, leadership is the issue. Finally, and all too common, a lack of resources (money, people, time) is a source of resistance to change in general and evaluation in particular.

## 6.3 The triple-bottom-line and the balanced scorecard

These two concepts have found a place in management theory and ethics, and both provide a foundation for our recommended event evaluation system.

### 6.3.1 Triple-bottom-line

According to Wikipedia:

*“Triple bottom line (or otherwise noted as TBL or 3BL) is an accounting framework with three parts: social, environmental (or ecological) and financial. Many organisations have adopted the TBL framework to evaluate their performance in a broader perspective to create greater business value. The term was coined by John Elkington in 1994.”*

TBL – what does it mean to evaluators? First, it is a philosophy, not a method or system. It encourages broader, longer-term planning and accountability but does not fully encompass principles of steady-state sustainability. I use TBL as a short form when talking about comprehensive impact assessment and sustainable development, and it is also an introduction to the balanced scorecard.

*Incommensurability* has been a major limitation of TBL. It means the lack of comparable measures for economic (almost always monetary), social/cultural and environmental impacts or performance. The goal attainment model called Event