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Introduction

In their broadest definition, economic sciences, which include economics and management, study the behaviour of market participants. As it is this behaviour that ultimately creates economic results, it makes eminent scientific sense to understand it. Yet despite multiple studies in this field we cannot predict all economic phenomena, which is evidenced by recurrent crises (affecting both the overall economy and individual firms). It appears that human behaviour in an economic context has, as of yet, been insufficiently researched. Economic choices are accompanied by mental states which are increasingly often addressed by economic theory. Our poor ability to predict economic phenomena might stem from the fact that human mental states have not been adequately described. In the existing body of theory, human economic behaviour is viewed as automatic, with linear relationships between stimulus and reaction, while in fact human responses are underpinned by subjective interpretations (judgements). The distinguishing trait of humans is that we judge our environment, including the organizations we are part of, their results, and the activities occurring within them. It has been generally recognized that categories based on the concepts of efficiency and effectiveness are the principal criteria of evaluation (judgement) in economic sciences. The interpretation of effectiveness and efficiency is often subjective, as it is made in the context of the utility of various theoretical concepts, of diverse ways of perceiving a firm's goals. The problems indicated above are not new to economic sciences. A subjective approach was the distinctive feature of the so-called 'psychological' (Austrian) school of economics. The interpretation of the concepts of effectiveness and efficiency has a long tradition too. It may be reasonable to approach the problem of the economic evaluation of a firm (including effectiveness and efficiency assessment) from a slightly different perspective.

In contemporary economic publications, authors increasingly often refer to the existing body of theory using the word *crisis*. The word is used in the context of economics as a science that is constantly developing and divides knowledge into 'old' and 'new'. Every now and then we hear about old and new economics, of old and new marketing. Equally often we accept an a priori belief that the

'new' is better. The current development of the various schools of economics, management concepts, and marketing concepts can be excellently illustrated by T.S. Kuhn's (1966) description of science development. From this perspective, the important problem appears to be whether the present development of economic sciences can be viewed as a 'scientific revolution' or whether we are witnessing ever more numerous examples of 'puzzles' (T.S. Kuhn, 2009, p. 25). A scientific revolution involves a paradigm shift, while a proliferation of 'puzzles' is testament to the insufficient sharpness of the prevailing paradigms. The observable multidimensional development of economics and management sciences is cumulative. The multitude of economics schools, management concepts, and marketing concepts reveal, or perhaps add, new areas of research interest. It appears that as science grows cumulatively, understanding the essence of key theoretical problems becomes more complicated.

It is a cliché to say that the development of different schools of economics and marketing concepts has an impact on business. As theoretical concepts abound, they are used selectively and, very often, inconsistently (from a theoretical point of view). When investigating the application of theoretical concepts in business practice, we can observe a certain eclecticism that manifests itself in the combining of different concepts. This results, among other things, from the fact that the utility of multiple theoretical concepts is assessed subjectively.

This publication focuses on the problem of organizational evaluation which is associated with the categories of effectiveness and efficiency. The analysis of the development of these concepts in economics and management reveals the phenomenon of the cumulative development of science. The author believes that this problem is quite important to fully understanding the essence of organizational evaluation. The cumulative development of interpretations of the concepts of effectiveness and efficiency engenders the need to complement them with various adjectives, which leads to the multiplication of the effectiveness and efficiency-based categories. It seems that the cumulative development of these concepts also has a negative effect on their consistency and, as a result, obscures the essence of economic assessments.

In economic sciences, the concepts of effectiveness and efficiency are interpreted from various perspectives, which poses another problem to the consistency of their interpretation. Efficiency is the focus of interest in microeconomics and management, while effectiveness is associated with management sciences. Both concepts are employed to evaluate firms, processes, activities, and transactions. This multi-layer 'pyramid' is very rarely systematized. T. Kotarbiński (1955), the forerunner of the Polish School of Praxeology, topped this pyramid with the category of *sprawność*. (In this publication, in the context

of organizations, I use the English term 'synthetic organizational evaluation', or SOE, as the Polish term *sprawność* has no unambiguous English equivalent.) The category combines all aspects of the evaluation of human activity and provides the basis for the ordering of the interpretations of other categories (including efficiency and effectiveness). In effect, the term *sprawność* refers to an overall assessment, while other categories refer to a variety of complementary evaluations such as effectiveness and efficiency.

Theoretically, effectiveness and efficiency are two complementary categories. The concepts represent two alternative criteria of economic evaluation – for example the goals of a firm and its operating costs. In the literature, both concepts are often interpreted as complementary. If we accept this point of view, the problem arises of what should be the yardstick for an overall evaluation. Then, the importance of one of the other category must be discussed. The literature also offers examples of separate interpretations of efficiency and effectiveness. The evaluation of an organization is often dominated by, or even limited to, the assessment of efficiency or effectiveness.

Another rationale for discussing the essence of effectiveness and efficiency evaluation is the problem of organizational coordination. The literature identifies two such mechanisms: coordination through the price mechanism and coordination through the entrepreneur (coordination through management). Organizational evaluations, which include a firm's effectiveness and efficiency, are mainly associated with the management-based coordination mechanism, and are required by the firm's managers. The interpretation of effectiveness or efficiency is the most synthetic (generalized) message that conveys an assessment of the activities, transactions, and processes taking place within organizations, and even an assessment of the organizations themselves.

The problem of the variability of organizational evaluations was examined in a research project called 'Emotional, Behavioral and Financial Effects in the Evaluation of Efficiency of the Business Organisation' (2012/05/B/HS4/02414), financed by the National Science Centre in Kraków. The study assumed that the results of a firm (the effects of its activities) provide a basis for interpreting its effectiveness and efficiency. From a theoretical perspective, it is reasonable to propose that organizational evaluation criteria should be universal and complementary. Unfortunately the literature is replete with examples of variable theoretical concepts, discussions of organizational goals, and discussions of the importance and interrelationships of various results (effects) of a firm's activities. The knowledge accumulated in the process contributes to the variability of (variation in) economic evaluations. The aim of the study was to determine the role of a number of different marketing and financial effects in evaluating a firm.

It was decided to test the problem both theoretically and empirically. The rationale behind the choice of effects was the fact that marketing and financial effects are directly linked to the two coordination mechanisms mentioned above. Marketing results reflect the effects of a firm's market activities, while financial results are related, among other things, to the firm's goals (i.e. effects that are key to coordination by management). The study assumed that an organizational perspective is the most apt to capture the essence of economic evaluation. The problem of economic goals and operating costs is mostly reflected at the level of the organization, while other effects are the means used to attain economic goals.

The perception of the importance of marketing and financial effects to organizational evaluation was tested on three groups of respondents: top managers, marketing managers, and employees who buy the firm's shares. The sample was defined to reflect the various perspectives on organizational coordination.

This publication is the outcome of the study. It has three parts. Chapter 1 discusses the interpretations of the categories associated with organizational evaluations, and addresses the key concepts of effectiveness and efficiency. An extensive body of theory is presented. In it, one can identify examples of complementary interpretation, where the concepts of effectiveness and efficiency are defined simultaneously and represent alternative aspects of economic evaluations. Another interpretative direction is the 'separate' approach, in which the essence of economic evaluations is defined based on one of the concepts, that is effectiveness or efficiency. The final outcome of this chapter is a synthesis of the problem of economic evaluations in the context of a firm.

Chapter 2 presents an overview of the problems associated with the creation of a firm's results. The focus of interest are the results represented by the marketing and financial effects. The starting point for the interpretation of the extent and variability of these effects are organizational goals and marketing concepts. Both issues are interrelated. A firm's goals are typically interpreted as financial effects. Marketing concepts describe how these goals are achieved through market activities. The variability of marketing concepts testifies to the absence of unanimity on how a firm's goals should be achieved, which multiplies the number of theoretically possible solutions. The entire problem is directly related to the problem of economic evaluations.

Chapter 3 seeks to empirically verify some problems related to organizational evaluations. The study sought to identify variability in the perception of the influence of a number of different marketing and financial effects on organizational

evaluation, depending on preferences for various forms of SOE (*sprawność*), position within an organization, and strategic (conceptual) preferences. This part of the publication presents the observed variability in organizational evaluations. The respondents were the above-mentioned groups of employees of firms in the consumables industry. The study was quantitative. In order to measure the respondents' perceptions, interval and rank-order scales were adopted. The extent of the statistical methods used to analyze the results of the study was determined by the choice of measurement scales.

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