



An Alternative Method to Investigate Organizational Effectiveness: An Adaptation and Expansion of Robert Terry's Model

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In this study, I present a theoretical model developed by Robert Terry as an alternative resource to traditional methods for analyzing organization effectiveness. The model consists of the constructs of mission, power, structure, and resources. These categories permeate the current literature, as researchers have tied each of them individually to organizational effectiveness. Terry broadened some of the definitions, and I explain and adapt his somewhat different arrangement of power as a mediator between mission and structure, where traditional models have typically implied structure as the mediator. These differences offer not only a different approach, but also a fuller description of some techniques that can result in enhancing organization effectiveness.

In the early 1980s, Dr. Robert W. Terry, formerly the director of the Reflective Leadership Center of the Humphrey Institute at the University of Minnesota, developed a descriptive theoretical model of organizational effectiveness for the U.S. Navy's Human Resource Management School. At that time more than ever before, members of the Navy's leadership group were focusing their efforts on ensuring equal opportunity throughout the Navy. Dr. Terry's previous work in that area for both the public and private sectors commended him for the job of helping the Navy work through that difficult time in its history.

Terry's (1982) stated intention for this mode, as discussed in raw notes from the Navy was to use the resulting matrix "for a diagnostic in descriptive purposes to start with—later it forms the foundation for the normative or ethical work" (p. 12). Though never published in this form, the model he developed became a favorite descriptive, diagnostic tool for many of the Navy's Human Resource and Organization Effectiveness consultants and instructors who called it "Robert Terry's Model of Equal Opportunity/Organization Effectiveness Interface." It consists of four constructs: mission, power, structure, and resources, that those familiar with his later works will likely recognize for some of their fundamental similarities. In using this model, I

considered these four constructs by themselves and compared them to each other, thereby forming the matrix he described.

Researchers have shown that each of the four main constructs of Terry's (1982) model, when considering them independently, have moderated, mediated, or directly contributed to the effectiveness of organizations. In this regard, Drucker (1989) and Rangan (2004) discussed the effectiveness of organizations whose management teams focus on mission and who set clear implications for the work their members do. Conger (1989) explained and Konrad (2006) provided empirical research results suggesting that organizational effectiveness depends on the distribution of power within the organization. Doty, Glick, and Huber (1993) also provided empirical research results on organizational structure and the relationship it has with organizational effectiveness. Barney and Zajac (1994) provided evidence linking resource development and strategic utilization of resources to improved organizational effectiveness. Additionally, Ostroff and Schmitt (1993) discussed their findings of the importance of both resources and processes (structure) to organizational effectiveness. Moreover, each of these studies implied or stated directly that the development and maintenance of these constructs lie primarily with leaders and managers of organizations. The literature clearly supports each of Terry's constructs. However, as I noted in this study, Terry treated power and structure differently than do other models; he suggested a different priority in their use, and he thereby added a beneficial, unique perspective that expands the literature in the investigation of what makes organizations effective.

Although organizational effectiveness is a difficult outcome to define, Kaplan and Norton (1992, 1993) suggested the "balanced scorecard" method for measuring organizational performance, a clear indicator of organizational effectiveness in the categories measured. Additionally, Sparrow and West (2002) suggested these definitions for the performance criteria of organizational effectiveness, "Basic task competence or proficiency; delivery of performance against efficient or cost effective performance metrics; an impact on organizational competitiveness on different bases such as speed or time; the creation of internal or external customer perceptions of added value; longer term risks or costs associated with error... or even 'collateral damage' created by current actions..." (p. 13).

The Four-Factor Model

In his four-factor model, Terry (1982) suggested that organizations accomplish missions by empowering resources to work through structures. Missions do this by dictating the expenditure of power (or energy), suggesting the structure most appropriate, and determining the quantity and distribution schedule of the available resources. Figure 1 provides another way of looking at it where missions provide directions with power through structure to use resources. Conversely, resources limit how organizations use structures that control members' power to accomplish their mission.

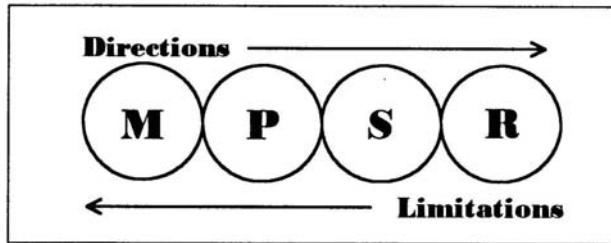


Figure 1. Terry's (1982) Four Factor Model, demonstrating directions and limitations of organizational effectiveness. From "An organizational, societal, and personal ethic based on authenticity" by R. W. Terry, 1982, unpublished raw data. Copyright 1982 by Robert W. Terry. Adapted with permission.

Mission

Terry (1993) defined mission as that which "directs our attention toward a future state of affairs" (p. 69). It gives the organization purpose. In action planning, the mission directs the development and implementation of goals, objectives, and tasks and it suggests the strategies to achieve them. Additionally, it often sets the tone or climate in which the organization's culture will develop and pass on to future generations of the organization's members. Terry described that missions include those at the personal, organizational, and societal levels. He contended that effective organizational missions must be "concise, clear, and trusted as real, shared, and believed to be doable" (p. 70). Covey and Guilledge (1992) further suggested that leaders must make the establishment of an organization's mission and vision their first priority. Similarly, Bardwick (1996) argued that "the best leadership frames the organization's mission and values in ways that members find transcendent: the goals of the business are transmuted from the dross of the ordinary work into higher goals that are worthy of heroic efforts or even sacrifices" (p. 135). Additionally, Blanchard and Hodges (2003) suggested that leadership does not matter in organizations where missions are not clear. In Terry's model, an organization should design its mission to provide direction by capitalizing on the power members possess.

Power

French and Raven's typology (as cited in Furnham, 1997) identified sources and bases of power that include the categories of reward, legitimate, referent, coercive, expert, and positional. They further described three aspects of control associated with power that include importance, scarcity, and non-substitutability. Mintzberg (1984) suggested another typology of six configurations of power where internal or external influencers use "voice" to attain their needs. The categories he identified include instrument, closed system, autocracy, missionary, meritocracy, and political arena and they align to his configurations of structure and situation (Mintzberg, 1979). McClelland (1975) described power as the principal social motive necessary for leaders to succeed and Pfeffer (1992) suggested that one derives power from the control of resources, ties to others who are powerful, and authority associated with functional position. Tichy and Devanna (1986) discussed power as associated with the leader's ability to decide the organization's mission and strategy. They also describe how a leader's decisions about structure direct the distribution of power within an organization. Helgesen (1996) described how that to be

successful, leaders must distribute power appropriately, rather than simply retaining power in functional positions.

Terry (1993) defined power as potential or actual expenditure of energy. Like Pfeffer (1992), he suggested that members use power to control resources. However, the definition of resources he used exceeds the typical definition regarding physical or human resources generally and includes the skills, abilities, and gifts a member brings into their relationship with the organization. As the power theorists cited earlier suggest, Terry (1982) also concluded that everyone has power. Some people have more power than others do, but one is only powerless from an organizational perspective when he or she no longer associates with the organization. Additionally, power is a feature of action and it is not in itself good or bad, authentic or inauthentic.

Terry (1982) further contended that organizations maximize their effectiveness when they place power, no matter how theorists define or categorize it, in its true position of relative importance ahead of structure (with power as a mediator, as in Figure 2). He suggested that many theorists place structure first and those who do infer that leaders need only to fill available positions with the “right” people and then control their efforts through structural devices to maximize effectiveness in accomplishing the mission (with structure as the mediator, as in Figure 3). Terry inverted that relationship, contending that in reality an individual’s power is relatively unlimited. Therefore, leaders should focus whatever power members have on accomplishing the mission, rather than attempting to constrain it with predetermined structure. This, he says, will maximize effectiveness.

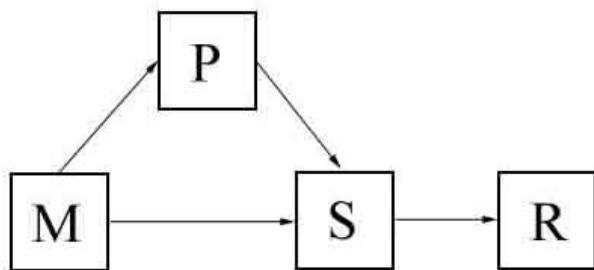


Figure 2. Expanding Terry’s (1982) Four Factor Model, demonstrating the desired mediating affect of power on the mission to structure relationship.

Additionally, leaders who leave members’ power unacknowledged wind up with members who are apathetic (minimum standard effort) or dysfunctional (activities that passively or actively work against the accomplishment of the mission). By recognizing, soliciting, channeling, and focusing individuals’ personal power, the organization can tap into that power for greater levels of effectiveness. This becomes possible as members of the organization buy into and commit to the mission, then work toward its accomplishment without the encumbrances of artificial structures. With mission, resource availability, and environmental factors remaining equal, Terry’s theory suggests that members are more likely to provide discretionary effort to mission accomplishment, rather than limiting their work to minimum acceptable standards.

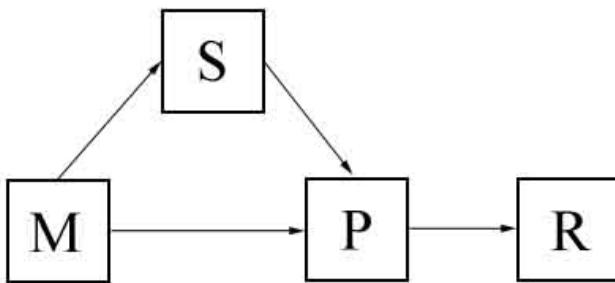


Figure 3. Expanding Terry's Four Factor Model, demonstrating the undesired mediating affect of structure on the mission to power relationship.

Structure

Miles and Snow (2002) argued that organizations must structure themselves in ways that they successfully align with their environments in order to achieve organizational effectiveness. They presented archetypes that include defenders, prospectors, analyzers, and reactors, along with market-matrix designs that address (or fail to address in the category of reactors) solutions to entrepreneurial, engineering, and administrative problems. Additionally, Williams and Rains (2007) contended that organization design can be a powerful competitive advantage, thereby implying structure's importance in achieving organizational effectiveness. Moreover, Galbraith (1977) said that an organization's design should change as the organization changes people and tasks and Bardwick (1996) discussed the importance of leaders developing strategy, a category of structure, while keeping the needs of followers in mind.

Terry's (1982, 1993) theory agrees with these models, but it includes a broader meaning of structure than these other theories imply. He defined structure as "the conduit through which energy flows to achieve the mission" (1982, p. 85). It includes rules, regulations, procedures, strategies, formulas, and processes. However, it also includes biases, prejudices, and preferences that contribute to decisions of power allocation. In his model, structure acts as a channel to funnel power and to create and distribute resources. Terry did not minimize the importance of structure by placing it after power in his model. He merely posited that organizations should build their structures to support the widest possible distribution of power. This allows members of the organization to utilize as much of their talents, skills, and abilities—their human resources as possible, rather than having their power limited by artificial structures. Terry further suggested that this arrangement of power before structure forms the basis of equal or "equitable" opportunity, where, with all other things being equal, the only limitations members of an organization face are those that consist of their desire and capabilities.

Resources

Stunguriene (2005) identified finances, materials, people, and time as limited resources that organizations must effectively use. Barney and Zajac (1994) argued the fundamental importance of resource consideration for particular competitive contexts when measuring strategic consequences. Barney (1991) also argued that organizations can only achieve superior financial advantage, arguably one indicator of organizational effectiveness, to the extent that they

possess resources that are: (a) valuable, (b) rare, (c) imperfectly imitable, and (d) non-substitutable. Moreover, Galbreath (2002) suggested that an organization's network of relationships form its most valuable resource, a store of capital in intangible assets.

Terry (1993) argued that a resource must meet six criteria, including: (a) member recognition of its potential use, (b) member choice of it to help accomplish the mission, (c) its usability, (d) its manageability, (e) its quantify-ability, and (f) its availability or potential availability. Terry's theory agrees with the theories cited here. Without needed resources, tangible or intangible, an organization's effectiveness will arguably suffer. The question becomes how much it would suffer, if it would suffer as much, or if it would suffer at all if organizational members could bring all of their power to bear against the lack of resources problem. Gibbert, Hoegl, and Välikangas (2007) suggested that resources provide limitations on organizations, but they describe how the lack of resources can actually become a catalyst to creative thinking that results in breakthrough performance.

The Sixteen-block Matrix

Terry recognized the broad and somewhat latent nature of the four general categories. One might never identify some of the constructs supporting power and structure, by his definitions, without a tool that provides a more detailed analysis. Therefore, he developed a 16-box model, as shown in Figure 4, that more fully describes and supports the four-factor model. In this matrix, the column headers represent the drivers and the row labels represent the subjects. When we apply a driver to a subject, it results in a functional description of a measurable organizational attribute.

Each of the sixteen boxes has a construct with a specific meaning attached to it. This study describes in more detail the constructs in boxes used to demonstrate variables and short definitions for other constructs. The constructs and their positions on the matrix include:

1. Vision (1, 1) – What mission or goal from a macro—perspective does the mission serve to accomplish? The mission's mission (or goal) is to offer a vision of a future state of being for which the organization strives to realize. Covey and Guilledge suggested that a vision is a desired future or a destiny and continuing destination. Blanchard and Hodges (2003) said it is “the purpose, picture of the future and values—that’s what everyone should serve” (p. 56). Moreover, Brown (1998) argued that developing a vision is of the utmost importance and that not having one leads to dysfunction in the organization. Terry (1982) concluded that its vision is the reason any organization is in existence. He further suggested that the organization should expend all of its energy in the direction of vision realization.
2. Compelling self-interests (1, 2) – What power does mission have in the organization? The mission is empowered through compelling self-interests. If members are not interested in accomplishing the organization's mission, the mission has no power. Terry (1982) said that it is why one works toward the vision. He also said the title of this category is somewhat of a misnomer in that it actually represents any interests that compel members to take action (use power) to accomplish the mission and realize the vision, not just self-interests. Maslow (1943), Hertzberg (2003), and McGregor (1966), among others considered that organizations must address members' concerns of “what's in it for me” to induce a maximum effort toward mission accomplishment. However, Terry noted that people sometimes give

unreservedly, like some in the military or others affiliated with religious institutions, even when their own best interests are at stake. This includes interests of ego and self-actualization. Put simply, the overall effectiveness of the organization is directly proportional to its ability to marry vision realization with the self-interests of the individuals of the organization, thereby achieving buy-in.

3. Entitlements (2, 1) – What mission does power have in the organization? Power's mission is to define who does what and who is entitled to what in the organization. If members are not entitled to use power to accomplish the organization's mission, the power they have will have no mission (purpose, direction, etc.). Some people think only of privileges or rewards when discussing entitlements. Others think of health or unemployment insurance, social security, or vacation time. In keeping with the mission of power, Hoyte and Greenwood (2007, p. 100) noted, "Lasting transformation of a business culture starts and ends with empowering employees to make the decisions necessary to conduct and improve their daily work." Entitlements include privileges and rewards as subsets of rights promulgated by the organization. However, Terry (1982) posited that entitlements also consist of identifying who has the authority or is otherwise entitled to do something in the organization. Therefore, contextually, entitlements are issues of rights and responsibilities.
4. Activities of power (2, 2) – What power does power have to affect the organization? The power of power represents an impetus to engage in the use of power. Everyone has power. Some of it is kinetic, some of it is potential, and some of it is entropic. Power of power represents the result of energizing the potential power one has, thereby converting it from potential to kinetic or activity-based power. Terry (1982) explained that activities of power are the things people actually do. These are the "-ing" things that add to or take away from mission accomplishment and vision realization. These include doing, creating, bargaining, negotiating, persuading, supporting, cajoling, conniving, frustrating, delaying, and detracting, among many others. People in organizations are always doing powerful things and Terry maintained that their accomplishment stems from members' self-interest, entitlement, and shared vision and if the organization does not make these clear, the activities of power will be disruptive rather than supportive. Bradford and Cohen (1998) provided an example of some activities of power of subordinates or followers in organizations using post-heroic leadership. They suggested that to maximize effectiveness, subordinates or followers must share in the leader's jobs of, "... spotting problems, initiating action, pushing colleagues to do what is necessary to accomplish the unit's work--in short, sharing the responsibility for overall unit success" (p. 14).
5. Goals and policies (1, 3) – What structure does the mission take on in the organization? The mission's structures are goals and policies. Without goals and policies, members have no structure to accomplish the mission. Once a vision is established and there is compelling self-interest to realize it, the organization develops and implements goals and policies to direct the members' focus.
6. Life experiences (1, 4) – What resources does the mission require of members of the organization or what resources does the accomplishment of previous versions of the mission provide for members that will benefit them in accomplishing this iteration? These consist of whatever an individual or a group brings as resources to accomplish

- the mission, including what members have done, how they have done it, and what they bring to begin and maintain the processes.
7. Decision-making processes (2, 3) – What structure does power have in the organization? The organization structures power through use of its decision-making processes. Without decision-making processes, members have no structural conduits to change the direction or magnitude of power applied to organizational situations. These are the ways the organization actually makes decisions (i.e., consensus, democratically, laissez-faire, etc.). They do not depend so much on personal style, which would fall under activities of power. They consist of the actual structures used.
 8. Skills (2, 4) – What are the resources of power? They are the skills, abilities, and gifts members bring to the organization to get things done. Which skills are important to the organization is a vision or an entitlement question. One would not know which skills to draw from (or to recruit) unless the organization understands vision and entitlements.
 9. Rationale (3, 1) – What mission does structure have in the organization? Structure's mission is to provide rationale for why the organization does things the way they do. If members lack rationale to accomplish the organization's mission, the structure becomes irrelevant to accomplishing the mission. It performs the function of a preamble that gives the fundamental reasons for doing things and why the organization does them that way. The 16-box model is no more important than in this block because, if the Four Factor model were configured MSPR, the mission of structure would become "conformity," regardless of the cost in effectiveness or efficiency associated with the power potential each member possesses.
 10. Informal power channels (3, 2) – What power does structure have in the organization? Structure controls power flow in an organization and causes the creation of informal power channels. Members use informal power channels to direct power around or through structural impediments. These channels reflect what goes on in the hallways, in telephone conversations, etc. They may or may not connect with the organization chart. In Terry's theory, where power is the construct with mediating effect, as in Figure 2, all use of power toward mission accomplishment is a part of the decision making processes (2, 3), by design. In organizations where structure is the construct with mediating affect, as in Figure 3, any use of power not controlled by S would flow through MP, and would represent informal power channels.
 11. Organization chart (3, 3) – What structure does structure have in the organization? When the organization lays out a structure, the result is an organization chart. Members use an organization chart to determine whom the organization has assigned to do what. It is the formal authority structure for decision-making. It is not the organization making decisions; but it is the actual chart that shows whom is responsible for what. Therefore, when the organization combines decision-making processes with the formal structure in the organization chart, it makes the provision to evaluate both the form and process of decision-making.
 12. Tasks (3, 4) – What resources does structure provide or identify? The organization's structure offers tasks as its resource for members to use to accomplish the organization's mission. Organizations can create tasks, divide them, move them around, or otherwise reorganize them for people to have the opportunity to do a particular job in a particular category.

13. Legitimacy (4, 1) – What mission does resources have in the organization? Resources' mission is to provide legitimacy to the organization. Without resources, members will perceive the organization's mission as illegitimate. Legitimacy also establishes which resources the organization deems acceptable to use to accomplish the mission.
14. Priorities (4, 2) – What power does resources have in the organization? Resources have the power to cause the organization to set priorities. Organizations set priorities so that members will know which resources to use (apply power to). People place emphases on priorities. Priorities establish where members should apply weight to accomplish the mission most effectively and efficiently.
15. Mechanisms (4, 3) – What structure does resources require and why? Organizations develop and maintain (helpful) mechanisms as structures to facilitate requests for and distribution of resources. Mechanisms form the conduits that allow and facilitate resources to be distributed.
16. Inventory (4, 4) – What resource list does the organization use to know what resources it has available for use? Inventory represents the resources of resources. It is the actual list of resources available, reflecting resources that are germane to the mission (as opposed to what Terry calls “stuff”—things that are available, but not germane).

	M	P	S	R
M	Vision	Compelling Self-Interest	Goals and Policies	Life Experiences
P	Entitlements	Activities of Power	Decision Making Processes	Skills
S	Rationale	Informal Power Channels	Organization Chart	Task
R	Legitimacy	Priorities	Mechanisms	Inventory

Figure 4. Terry's (1982) 16-Box Matrix of Organizational Effectiveness. From “An organizational, societal, and personal ethic based on authenticity” by R. W. Terry, 1982, Unpublished raw data. Copyright 1982 by Robert W. Terry. Adapted with permission.

General Application of the Model

Terry's intention was to marry equal opportunity (EO) with organization development (OD). He said that OD practitioners usually focus first on the shape of the organization's structure and the development of its resources. This organizational arrangement positions structure having a mediating effect on the relationship of mission and power, as seen in Figure 3. EO proponents usually focus first on the purpose of the organization, its reason for existing (mission questions), and how it decides what it does (power questions). This organizational arrangement positions power having a mediating effect on the relationship of mission and structure, as seen in Figure 4. Terry further contends that unless leaders clarify EO questions of mission and power first, the OD considerations of structure and resource actions will be less than optimally effective. Terry (1982) said, "Organizational effectiveness is strengthened and transformed by equal opportunity" and "organizational effectiveness is impoverished... without equal opportunity" (p. 86).

Terry (1982) created the 16-box matrix to expand and better demonstrate the interactions of mission, power, structure, and resources. Mission and power dynamics rest in the upper left quadrant of the model. He suggests that many solutions fall out in this section because leaders must answer EO issues to optimize organizational effectiveness. Terry further contended that structure put in place with stated goals, defined decision-making processes, and a clear organization chart can only be as effective as it answers the needs that mission and power issues demand of it. Resources may include the required skill sets, an understanding of tasks, and the ability to work with recognized priorities. However, without priority attention to mission and power issues, goals are not met as expected, priorities become contradictory, more skills sets are required, and the "successful work" deteriorates. This ultimately causes the need for reengineering. By his theory, if the organization first uses structure to answer self-interest and entitlement questions, the implementation will not be as successful as if the organization were to address those questions first, in the visioning process, and then use that information to shape the structure.

Spiritual Application of the Model

In leadership application, Terry's model presents itself in a similar way to how Jesus organized his disciples. Jesus first explained their mission. Matthew 4:18 and 19 (RSV) says, "As he walked by the Sea of Galilee, he saw two brothers, Simon who is called Peter and Andrew his brother, casting a net into the sea; for they were fishermen. And he said to them, 'Follow me, and I will make you fishers of men.'"

He modeled desired behavior for them for at least 1 year and possibly for as many as 3 years, thus sharing His vision and developing compelling interest in them. Many of them would later demonstrate how compelling their interests were through the beatings, cursings, imprisonments, and even crucifixions and stonings they received.

As with most organizational theorists, Jesus also placed resources in the position of receiving direction. However, like Gibbert, Hoegl, and Välikangas (2007), when it comes to resources, He apparently believed that less is more. In Luke 9:3, as He sent them out to carry out the mission, He said to them, "Take nothing for your journey, no staff, nor bag, nor bread, nor money; and do not have two tunics." Some might argue that Jesus' suggestion pertains to earthly resources and that He implies here that spiritual resources would supplant earthly ones.

However, one could make an equally compelling argument that a true disciple of Christ finds glory in tribulation (Romans 5:3) and finds true success, as an end, in relationships (Matthew 7:12, 22:36-40), thereby negating the necessity for any spiritual resources beyond those with which He already empowers His followers.

After the training and vision-setting period, He empowered, established entitled, and provided structural boundaries for them as revealed in Acts 1:8, when He said, “You shall receive power when the Holy Spirit has come upon you; and you shall be my witnesses in Jerusalem and in all Judea and Samaria and to the end of the earth.” Additionally, the chapters of Romans 12 and 1 Corinthians 12 further discuss that Jesus’ disciples received gifts or empowerment to fit structural requirements within the church. God’s implied message suggests that the Heavenly Father equips each church with the right people who possess the right gifts to accomplish His mission for that local congregation. This describes a context where activities of power limit the design and implementation of mission the church and where they define the direction of the structure of the church. From another perspective, by God’s design, structure provides limitations on activities of power and on the mission. If God does not equip or empower someone in a local church to complete particular structural requirements (e.g., procedures, goals, processes, policies, etc.), then the church should not engage in that activity. Psalm 127:1 says, “Unless the Lord builds the house, those who build it labor in vain.” For example, if God empowers no one in a local congregation with the gift of teaching; with all other things being equal, that congregation should probably not go through the motions of establishing and maintaining a Sunday school program. Moreover, all efforts spent in that endeavor serve as opportunity costs that the church could otherwise invest in fulfilling the mission God does equip them to accomplish.

Organizational Effectiveness

Kaplan and Norton (1992, 1993) suggested that the “balanced scorecard” method for measuring organizational performance. They and others (Ahn, 2005; Amaralunga, Baldry, & Sarshar, 2001) have proven this technique to be a clear indicator of organizational effectiveness in the categories measured. Maintaining that financial indicators such as earnings per share, earnings before income taxes, or other return on investment indicators might not tell “the whole story,” they developed the balanced scorecard working with 12 companies in the first year and another 5 companies the next year. The balanced scorecard offers measurements in financials and three sets of operational measures regarding customer satisfaction, internal processes, and organizational learning and improvement. Their contention is that each of these areas drives future financial performance, the standard by which the marketplace ultimately measures most organizations.

Variables for Consideration

This study is interested in determining if the application of Terry’s model yields the descriptive results it posits. Specifically, the following variables derive from the categories in the 16-block matrix. With all extraneous variables otherwise equal:

1. If mission drives power, the organization will develop and maintain entitlements that define roles and responsibilities.

2. If mission drives structure, the organization will develop and maintain rationale for its existence.
3. If mission drives resources, the organization's members will consider the organization's existence as legitimate.
4. If power drives mission, the organization will create and maintain member's compelling self-interest.
5. If power drives structure, the organization will formalize or otherwise authorize the use of informal power channels.
6. If power drives resources, the organization will establish and maintain priorities.

This study is also interested in determining if the application of Terry's model yields the descriptive results it posits regarding the mediating affects of power over structure. With all extraneous variables otherwise equal, the first hypothesis posits:

H₁: There will be a statistically significant difference in balanced scorecard results of sample organizations where power mediates the relationship between mission and structure in determining resource utilization, as opposed to those sample organizations where structure mediates the relationship between mission and power in determining resource utilization.

Conclusion

This study introduced an alternative theoretical model to measure organizational effectiveness, created by Robert W. Terry. Terry's theory clearly fits within the literature, with researchers having demonstrated that the constructs he uses: mission, power, structure, and resources have each independently contributed to organizational effectiveness. This study also explained how Terry's theory differs from and expands the current literature by including broadened definitions of structure and resources and a broadened application of power within organizations. It further presented the advantages of using power as a mediator between mission and structure and it theorized how that would result in higher levels of organizational effectiveness, as measured by a balanced scorecard evaluation. This study also conducted a New Testament review that suggested Bible leaders regarded the mediating role of power in Spiritual applications similarly to Terry's theory. Finally, this study presented variables to validate a part of Terry's 16-box model and a hypothesis to consider the validity of Terry's theory as a function of organizational effectiveness.

Future research toward developing Terry's theory into an operational model should examine the variables considered in this study and compare them to levels of organizational effectiveness as defined by balanced scorecard results of sample organizations. Additional future research should identify organizations that place power in a mediating role between mission and structure and similar organizations that place structure in a mediating role between mission and power and compare levels of effectiveness as defined by balanced scorecard results.

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