

Tool 4

Criteria for analysis of organizational performance

The concept of performance is commonly associated with the idea of achievement and success. Organizational performance has three main dimensions:

- **Relevance:** that is, the ability to set and pursue a purpose that meets the real needs and aspirations of its members while continuing to contribute to the improvement of their living conditions (and therefore able to adapt to change). For example, a cooperative offers a service of collective marketing, but fails to facilitate access to credit early in the season; consequently, members continue to sell much of their crop at low prices.
- **Effectiveness:** the degree to which an organization is fulfilling its mission, remains true to its purpose and its objectives. For example, a cooperative does not hold statutory meetings according to a specified schedule, which results in a lack of communication and transparency and low involvement of members in decision-making.
- **Financial viability:** that is, to be able to find the funds (and generate revenue) for its operations in the short, medium and long term. For example, a cooperative has lots of good ideas, but doesn't even have enough money to hold its annual general meeting.

In summary, a cooperative is relevant insofar as its mission, objectives and services to members correspond to real needs. It is effective when it is able to perform well. Finally, in order to be sustainable over the long term, it needs to be financially viable.