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EXPLORATION OF THE BALANCED SCORECARD AS A TOOL FOR PERFORMANCE  
MEASUREMENT AND STRATEGIC PLANNING IN HIGHER EDUCATION  
DEVELOPMENT

A Dissertation  
presented in partial fulfillment of the requirements  
for the Doctor of Philosophy Degree  
in Higher Education  
The University of Mississippi

by

PERRY MOULDS

December 2012

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## ABSTRACT

This study sought to uncover information about the types of measurement and strategic planning models being used in higher education development, determine what measures are most important and effective for successful development practices, and explore the potential application of the Balanced Scorecard to higher education development operations. Survey data indicated a wide range of quantifiable metrics currently in use and opinions about measurements such as face-to-face visits, delivery of solicitations, and dollars raised. Personal interactions were considered the most important form of measurement, with financial outcomes falling closely behind. Very few survey respondents reported personal knowledge of the Balanced Scorecard, and no respondents reported that the Balanced Scorecard was currently in use as a tool for performance measurement or strategic planning at their current institutions of employment. Chi-square analysis was performed for hypotheses. Only one hypothesis was rejected based on a significant p-value of .001 for both chi-square and Fisher's exact test analyses, indicating the possibility of a significant relationship between the size of an institution's undergraduate student body and that institution's use of performance metrics for development personnel. The qualitative interview portion of the study also indicated that many forms of quantifiable metrics are utilized by institutional development operations. Opinions about what measures are most important varied and were not consistent based on levels of leadership or management responsibilities. Interview data did indicate that the four perspectives of the Balanced Scorecard would provide useful direction in performance measurement and planning.

## DEDICATIONS

For my family.

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when she has helped by sitting in my lap to hold my highlighter, turn article pages, and push the occasional computer button.

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## CHAPTER I

### INTRODUCTION

Philanthropy in higher education is not a new phenomenon. The practice of asking for support through gifts of money, land, and other means can be traced back to the Academy of Socrates and Plato (Cook & Lasher, 1996). Harvard College, the first institution of higher education in the United States, began raising money through letter writing campaigns in its earliest years and the practice has been a part of the American higher education landscape ever since (Bremmer, 1988, as cited in Rosso & Tempel, 2003).

Modern day educational fundraising is far more complex than the letter writing campaigns conducted in those early years. Large-scale capital campaigns are now the norm, along with professional fundraising staffs and complex solicitation systems. Even the highest levels of institutional leadership have been drawn deeply into the field as college presidents are expected to focus large portions of their time on raising private support (Cook & Lasher, 1996).

Kozobarich (2000) refers to development, the term now used to describe the fundraising function of higher education and other non-profit entities, as a field that exhibits the characteristics of an emerging profession. Early fundraising efforts notwithstanding, development programs staffed with professional fundraising operatives did not appear in the United States until around 1975 (Cook & Lasher, 1996). Within higher education specifically,

development is now part of a larger sector known as institutional advancement that is devoted to increasing awareness, concern, and support for higher education. Institutional advancement is typically comprised of development along with two other sub-fields: alumni relations and communications (Kozobarich, 2000).

The relative infancy of the development field encourages an opportunity for innovation in the expansion of its functionality, strategy, and management. Numerous management theories and tools have been studied in relation to the for-profit and business sectors. One such tool, the Balanced Scorecard, created by Robert S. Kaplan and David P. Norton, was intended to serve organizations by identifying practices that could be measured as precursors to the traditionally measured outcome of financial performance (Kaplan & Norton, 1992/2005).

Kaplan and Norton's (1996) original Balanced Scorecard connected corporate measurements to strategy by first identifying key strategic objectives within a business unit, then identifying measurements that supported each objective. Key objectives were categorized within four perspectives, in order of importance: the financial perspective, the customer perspective, the internal business process perspective, and the learning and growth perspective (Kaplan & Norton, 1992/2005). The Balanced Scorecard is discussed in more detail in Chapter II of this dissertation.

With the exception of for-profit colleges such as DeVry University and the University of Phoenix, much of higher education is considered to be non-profit. For-profit institutions are market driven and consider students to be customers. Their mission is to offer a post-secondary education, typically catered to adult learners, with a flexible schedule and a shorter time period required to achieve a degree. Success is measured in a variety of ways, including the level of job

placement achieved for the institution's graduates, but they are foremost corporate entities that exist to create a profit for shareholders (Morey, 2004).

Unlike the more than 650 for-profit educational institutions in the United States that constitute a \$5 billion industry (Morey, 2004), the success of non-profit educational institutions is measured by standards not entirely related to financial success. In 2001, Robert Kaplan adjusted some measures of the Balanced Scorecard model to better suit organizations whose primary role was not to produce a financial profit but instead to create a positive change in their areas of focus. The non-profit version of the Balanced Scorecard places greater emphasis on the customer perspective than does the for-profit Balanced Scorecard. According to Kaplan, non-profits "should be accountable for how well they meet a need rather than how well they raise funds or control expenses" (Kaplan, 2001, p. 369).

#### *Purpose of the Study*

The purpose of this study was to determine the extent to which the Balanced Scorecard is currently used in higher education development offices at public institutions in the Southeastern United States, and to determine how beneficial the Balanced Scorecard might be if utilized as an instrument for performance measurement and strategic planning in higher education development offices. I also intended to identify the attitudes of development practitioners regarding the use of current performance measurement and strategic planning systems and to identify what types of performance metrics were being measured at the time of the study.

A mixed methods approach was chosen to provide both quantitative information about these issues and thick descriptions through qualitative data to enhance the quantitative results. In-depth interviews with development practitioners at various levels of seniority were conducted to



better understand the nuances behind individual and collective opinions expressed through a survey instrument developed by the researcher.

### *Research Questions*

I obtained quantitative data from development practitioners in three Southeastern states regarding their attitudes toward performance measurement and strategic planning, their knowledge of the Balanced Scorecard, and the potential applicability of the Balanced Scorecard in higher education development. The study did so utilizing a survey instrument with open-ended, rank order, and Likert scale items, and interviews with key survey respondents. The Likert scale items were applied in categorical form within the qualitative data analysis, which is discussed in greater detail in Chapter III.

The study sought to answer the following research questions:

1. What types of metrics are most widely used in individual and institutional performance measurement and strategic planning in development at institutions of higher education?
2. What are the attitudes of development practitioners at institutions of higher education regarding the use of quantifiable metrics in measuring individual and institutional fundraising performance and strategic planning?
3. Is the Balanced Scorecard currently utilized as a tool for individual and institutional performance measurement and strategic planning in development at institutions of higher education?

4. Is the Balanced Scorecard an applicable tool for individual and institutional performance measurement and strategic planning in development at institutions of higher education?

Seven hypotheses were originally developed in relation to the research questions.

Hypotheses 1 through 5 were based on quantitative data, and hypotheses 6 and 7 addressed interview outcomes. Hypotheses 6 and 7 could not be adequately addressed quantitatively and were replaced by discussion of research question 4 which allowed for more adequate discussion and interpretation.

#### *Hypotheses*

1. There is no significant relationship between the size of an institution's student body and the use of quantifiable performance metrics and strategic planning tools within that institution's development office.
2. There is no significant relationship between the number of years a survey respondent has worked in the field of development and that respondent's opinions towards the value of quantifiable performance metrics and strategic planning tools in higher education development.
3. There is no significant relationship between the number of years a survey respondent has worked in development at his or her current institution and that respondent's opinions towards the value of quantifiable performance metrics and strategic planning tools in higher education development.

4. There is no significant relationship between the presence of management responsibilities in a respondent's job description and that person's knowledge of the Balanced Scorecard.
5. There is no significant relationship between the size of an institution's student body and that institution's use of the Balanced Scorecard in the development office.

### *Significance of the Study*

This study provides insight for researchers and development leaders into several issues related to individual and institutional performance measurement and strategic planning from the point of view of development practitioners. First, the study addressed the attitudes of development practitioners related to currently used measurement systems, the effectiveness of those systems, and the areas of measurement that can be most important to success in the fundraising field.

Second, the study obtained data about the use of the Balanced Scorecard as a measurement and strategic planning tool within higher education development and the familiarity of the Balanced Scorecard by development practitioners to establish a baseline understanding of the current use of the tool.

Third, the study provides help to researchers and development leaders interested in utilizing the Balanced Scorecard as a tool for individual and institutional performance measurement and strategic planning.

### *Limitations and Delimitations of the Study*

The ability to generalize the conclusions of this study may be limited due to the restrictions of the sample. Conclusions made based upon this data may be applied to the national field of higher education development, but further study may find differing opinions in other regions of the country. The data for this study was limited geographically and obtained from a sample population that included institutions of higher education in the states of Alabama, Mississippi, and Tennessee. The specific institutions were identified through the National Center for Education Statistics (NCES) as meeting the following criteria as of July 2011:

- Must grant an advanced degree (Masters or Doctoral)
- Must be a public, non-profit institution
- Must have an undergraduate population of no fewer than 5,000 students

The available sample to which the survey was sent was limited to those development practitioners whose email address and professional title were available through each institution's website at the time of review by the researcher. Institutions that had not made this information available via their website were not included in the survey. In all, 364 professionals received an invitation to participate in this study, and 52 individuals participated.

The institutions that met these criteria are as follows:

- Auburn University Main Campus
- Austin Peay State University
- East Tennessee State University
- Jackson State University
- Jacksonville State University

- Middle Tennessee State University
- Mississippi State University
- Tennessee State University
- Tennessee Technological University
- The University of Alabama
- Troy University
- The University of Tennessee
- The University of Tennessee at Chattanooga
- The University of Tennessee – Martin
- University of Alabama at Birmingham
- University of Alabama in Huntsville
- University of Memphis
- University of Mississippi Main Campus
- University of North Alabama
- University of South Alabama
- University of Southern Mississippi

Although the sample of institutions listed above provides a wide range of institutional priorities, characteristics, sizes, settings, and programs, the institutions share commonalities that may render the data less applicable to other institutions. Some characteristics of Southeastern universities, such as where the majority of their graduates reside, the ways in which faculty and staff are compensated, weather, and traditions, may differ from their counterparts in other areas

of the country. Such characteristics can affect both management methodologies and the effectiveness of fundraising programs.

The timing of this study may have affected responses. The states in which the survey was conducted have each experienced weather related disasters in the recent past. Alabama, Mississippi and Tennessee were ravaged by tornados during 2011, Mississippi and Tennessee experienced high levels of flooding, and Mississippi continues to recover from the effects of Hurricane Katrina in 2005 and the 2011 Gulf oil spill. The economic downturn of 2008 also may have affected philanthropy and fundraising.

Each of these incidents may have provoked a philanthropic response from community members in turn affected the fundraising efforts of colleges and universities in the region. Development offices faced with these challenges may have altered their methods of performance measurement and strategic planning in recent years, or may be in the process of altering their methods. These changes could contribute to the attitudes about performance measurement and strategic planning tools expressed by respondents.

The study did not include small institutions, such as liberal arts colleges, or institutions that engage in private fundraising but are outside the scope of higher education. These organizations may find the conclusions of this study to be ill fit to their particular programs.

The study did not include private, non-profit institutions that may function similarly to their public, non-profit counter parts. The inclusion of private institutions that fit other criteria for this study would have produced only one additional institution, Vanderbilt University, to be surveyed.

While some of the sample institutions do own or partner with schools of medicine, dentistry, and nursing, and some may operate comprehensive medical centers, the development programs that focus on medical donors were not included in the survey sample. Therefore, the conclusions made in this study may not be applicable to development professionals who work primarily in the field of healthcare and healthcare education.

### *Definition of Terms*

Annual Giving – “A program seeking repeated gifts on an annual or recurring basis from some constituency” (Rosso & Tempel, 2003, p. 496).

Balanced Scorecard – A business management model that “measures organizational performance across four balanced perspectives: financial, customers, internal business processes, and learning and growth” (Kaplan & Norton, 1996, p. 2).

Capital Campaign – “A carefully organized, highly structured fund raising program using volunteers supported by staff and consultants to raise funds for specific needs, to be met in a specific time frame, with a specific dollar goal” (Rosso & Tempel, 2003, p. 497).

Development – “All aspects of a fund raising program” (Rosso & Tempel, 2003, p. 499).

Lagging Indicators – Outcomes measured by the Balanced Scorecard (Kaplan & Norton, 1996).

Leading Indicators – Performance drivers measured by the Balanced Scorecard (Kaplan & Norton, 1996).

Major Gift – “A gift of a significant amount of money (the size may vary according to the organization’s needs and goals)” (Rosso & Tempel, 2003, p. 502).

## *Conclusion*

This study provides answers to important research questions in the field of higher education development and the use of the Balanced Scorecard as a tool for institutional and individual performance measurement and strategic planning. It does so by utilizing survey data and personal interviews intended to measure the attitudes of development professionals about performance measurement techniques, attitudes about which measures are the most important drivers of success, and attitudes about which measurements are currently applied at their respective institutions. The survey also captures data about development professionals' knowledge of the Balanced Scorecard and their attitudes towards the applicability and importance of aspects of the Balanced Scorecard to performance management and strategic planning in higher education development.

Chapter I provided an introduction to the field of development in higher education and the research conducted for this study. Chapter II will serve as the literature review including an exploration of the history of fundraising in higher education, an explanation of development as it functions today, and a review of the Balanced Scorecard as a management tool.

Chapter III describes the research as it was conducted in detail. This description includes detailed information about the survey tool constructed for this research and the process used to conduct qualitative interviews. It also describes the processes quantitative and qualitative data analysis used by the researcher.

Chapter IV provides a review of the results obtained through data analysis, including relevant charts and tables. Discussion of the results occurs in Chapter V.



## CHAPTER II

### LITERATURE REVIEW

The review of literature provides an introduction to development in higher education and examines management practices in the field, although the quantity of research available is limited due to the relative infancy of the profession. The review then addresses the Balanced Scorecard model of performance measurement and strategic planning which was first published in 1992 by Robert S. Kaplan and David P. Norton (Kaplan & Norton, 1992/2005). It has been the subject of a wide range of scholarly and anecdotal publications. For the purpose of this dissertation, the review of Balanced Scorecard literature will be used to define the concept, discuss its applications and shortcomings, and understand its potential application to higher education development.

#### *Development in Higher Education*

Beginning around 1975, American public colleges and universities began following the lead of Harvard College by creating fundraising programs in earnest (Cook & Lasher, 1996). These fundraising or development programs in higher education are part of a larger grouping of professions known collectively as institutional advancement. Kozobarich (2000) states that the three areas of institutional advancement are development, alumni relations, and communications. The office of development is considered the fundraising arm of the institution that it serves. Many development offices are large units and may be headed by a vice president. There are two

basic models of the development office structure according to Kozobarich: centralized and decentralized. The centralized model indicates a focus on presidential priorities and suggests that all development officers are housed in one central location. The decentralized model allows development officers to be housed separately within the units they represent and therefore focus fundraising efforts on the needs of the units rather than the larger institution.

Though development in higher education is now an enormous enterprise that is responsible for billions of dollars coming into educational institutions, relatively little scholarly research exists on the subject. Most of the research about philanthropy in higher education has been conducted during the past two decades (Cook & Lasher, 1996). Likewise, little scholarly literature exists that assesses the management systems and tools available to accurately measure the success of university development operations or the performance of development practitioners.

### *Development Management*

The nature of measuring success in development is complicated. It requires a multifaceted view of the goals, activities, and outcomes associated with each unit within the development enterprise and for individual staff members. Elkas (2003) provides a matrix of considerations for leaders that includes five areas to be managed: human resources, information resources, financial resources, physical resources, and relationships. The matrix evaluates these areas through six stages: analysis, planning, execution, control, evaluation, and professional ethics.

This matrix expresses the need for a management view that goes beyond the measurement of income produced, that is dollars raised, by the organization. It signifies the need

for a broad system of organizational management that promotes collective focus, ties strategy to objectives, and measures outcomes beyond financial success (Elkas, 2003).

There is no shortage of evaluative tools available for use by managers in the for-profit and non-profit worlds. Rigby and Bilodeau (2007) provide an outline of many organizational and individual management tools currently in use by leaders throughout a cross section of industries. The authors classified some of the more popular management tools in categorical terms based on their characteristics and uses. The classifications included blunt instruments, power tools, rudimentary implements, and specialty tools. Their study illustrates the complexity of choosing and implementing management tools in any organization. Making an appropriate choice requires a clear understanding of the organization's objectives, priorities, and values that should be used as the framework for measuring success.

Niven (2005) suggested that intangible assets are the key drivers to organizational success. Ittner (2008) confirmed the effectiveness of measuring intangible assets within a corporation. Ittner's meta-analysis of existing research found evidence that higher performance came as a result of organizations measuring indices other than financial outcomes. One measurement system stands out as particularly adept at measuring intangible assets within the context of an organization's strategy and providing a framework for success at all levels.

### *The Balanced Scorecard*

The Balanced Scorecard model of organizational management was created by Robert S. Kaplan and David P. Norton as a method of measuring organizational efforts that lead to financial performance (Kaplan & Norton, 1996). Previous methods of performance measurement and strategic planning focused primarily on outcome measurements. Kaplan and Norton

determined that goal setting and performance management at stages prior to outcomes would improve those matters over which organizations had control. The authors referred to these controllable stages as leading indicators and final results stages as lagging indicators of performance.

“The Balanced Scorecard translates mission and strategy into objectives and measures, organized into four different perspectives: financial, customer, internal business process, and learning and growth” (Kaplan, 1996, p. 25). The financial perspective is identified as a lagging indicator and focuses on bottom-line improvement within an organization. This measurement is typically conducted in terms of profitability. The remaining three perspectives, customer, internal business processes, and learning and growth, are identified as leading indicators. The customer perspective relates to customer satisfaction, retention, and acquisition, as well as market share. The internal business process perspective incorporates measurements of existing processes and identifies new processes that may impact financial and customer objectives. It also encourages innovation by identifying new markets and product possibilities. The learning and growth perspective of the Balanced Scorecard identifies the framework necessary within the organization to foster growth and corporate learning such as the adoption of new technologies (Kaplan, 1996).

Within the framework of these four perspectives, organizational leaders develop goals linked to specific measurements. Goals and measurements within the customer perspective, internal business processes perspective, and learning and growth perspective serve as the leading indicators of potential success within the financial perspective (Kaplan & Norton, 1996).

According to Kaplan and Norton (1996) the Balanced Scorecard is best created at the strategic business unit level. Large businesses are sufficiently diverse so as to make a corporate level scorecard difficult to manage. Development is a strategic unit within the larger field of institutional advancement, and so fits appropriately into the general concept of the Balanced Scorecard model. See Figure 1 for an example of a for-profit Balanced Scorecard.

Strategic Objectives	Strategic Measurements	
	(Lag Indicators)	(Lead Indicators)
<b>Financial</b> F1 - Improve Returns F2 - Broaden Revenue Mix F3 - Reduce Cost Structure	Return-on-Investment Revenue Growth Deposit Service Cost Change	Revenue Mix
<b>Customer</b> C1- Increase Customer Satisfaction with Our Products and People C2- Increase Satisfaction "After the Sale"	Share of Segment  Customer Retention	Depth of Relationship  Satisfaction Survey
<b>Internal</b> I1 - Understand Our Customers I2 - Create Innovative Products I3 - Cross-Sell Products I4 - Shift Customers to Cost-Effective Channels I5 - Minimize Operational Problems I6 - Responsive Service	New Product Revenue Cross-Sell Ratio Channel Mix Change  Service Error Rate Request Fulfillment Time	Product Development Cycle Hours with Customers
<b>Learning</b> L1 - Develop Strategic Skills L2 - Provide Strategic Information  L3 - Align Personal Goals	Employee Satisfaction Revenue per Employee	Strategic Job Coverage Ratio Strategic Information Availability Ratio Personal Goals Alignment (%)

(Kaplan & Norton, 1996, p. 155)

*Figure 1. For-Profit Balanced Scorecard*

*Incentives and the Balanced Scorecard*

The long-term success of an organization is dependent upon the alignment of operations with strategic goals (Weinstein, 2009). The Balanced Scorecard allows for this alignment by

focusing performance measurements on the organization's progress towards its strategic goals and objectives.

“It has been widely accepted, however, that organizational enforcement requires the tying of employee compensation to scorecard measures, “(Kaplan & Norton, 2001, p. 151 as cited in Budde, 2007, p. 516). Performance incentives are common in any professional organization, and the efficacy of rewarding employees for good performance as a way to achieve positive business outcomes is not generally questioned. Kaplan and Norton (1996, as cited in Budde, 2007) do assert some skepticism about tying employee incentives directly to individual Balanced Scorecard criteria. Simply summing up an employee's performance in each Balanced Scorecard criteria could result in overpayment when some of the criteria are not adequately met. They advocate instead tying incentives to achieving threshold levels of performance across a larger set of measures. Using a more comprehensive view for incentivizing successful completion of performance measures adds some subjectivity to the evaluation process.

Budde found that the concerns expressed by Kaplan and Norton (1996, as cited in Budde, 2007) were unfounded as long as a company's Balanced Scorecard was properly aligned with its business objectives. If overpayments occurred from incentivizing individual criterion, then the incentive program was more likely to be misaligned with performance objectives and in need of realignment.

#### *Job Satisfaction and the Balanced Scorecard*

The Balanced Scorecard also has been shown to promote a higher level of job satisfaction and employee morale in the workplace. Removing ambiguity by increasing understanding about strategic objectives creates a less stressful environment, and measuring leading indicators for

success helps to alleviate some of the conflict inherent between achieving long-term financial goals and short-term financial measurement (Burney & Swanson, 2010).

Employees feel empowered by an increased understanding of organizational objectives (De Geuser, Mooraj, & Oyon, 2009). When employees express a negative opinion of the Balanced Scorecard, it is often because management has inadequately communicated the relationship between performance criterion and the organization's strategic objectives (Chen & Jones, 2009). If the measures of the Balanced Scorecard at the business unit level are not congruent with the objectives of the larger organization, then the unit level Balanced Scorecard is likely to be ineffective and problematic for employees (Umashev & Willett, 2008).

#### *Shortcomings of the Balanced Scorecard*

The Balanced Scorecard model is not without its critics. Sandhu, Baxter, and Emsley (2008) concluded that the Balanced Scorecard was not an instrument that could be immediately placed into use by any organization and provide positive outcomes. The instrument is designed to be flexible and therefore applicable in any number of situations and across multiple industries. This flexibility can be challenging to managers who do wish to implement the Balanced Scorecard after organizational priorities and goals have been set. The system is more effective when it can be modified to fit organizational objectives during the period in which those objectives are being formulated as part of a strategic plan.

Giannetto (2007) argued that the Balanced Scorecard is limited because the nature of the feedback it provides is only periodic. The author contends that only real-time monitoring of leading indicators can sufficiently improve organizational operations. Other research cautions that the Balanced Scorecard is not immune to human error. Liedtka, Church, and Ray (2008)



concluded that supervisors using Balanced Scorecards as individual performance evaluation tools often place emphasis on Balanced Scorecard criteria they deem the most important. Those criteria deemed by the evaluators to be more ambiguous received less emphasis in the performance evaluation.

The dangers of oversimplification, misunderstanding of the significance of measures, misleading cause and effect, and timing difficulties are additional pitfalls listed by Norrekilt (2008). Additionally, Norrekilt challenges the hierarchical nature of the Balanced Scorecard. Since the lower unit measurements of the Balanced Scorecard are driven by strategic thinking at the top of the levels of the organization, staff may manipulate measurements to appear in line with strategy.

Liedtka et al. (2008) suggest that the Balanced Scorecard is subject to a problem common to all other measurement tools. That is, the measurement tool itself is only as good as the evaluator utilizing the tool.

Studies likewise can be found that praise the use of the Balanced Scorecard and describe its implementation in the workplace. Liu and Tsai (2007) concluded in their study of 1,000 managers employed across multiple Taiwanese technology companies that the Balanced Scorecard increased productivity when used as a knowledge management tool. Phillips (2007) concluded a three-year longitudinal study that monitored the implementation of the Balanced Scorecard in a major hotel company in the United Kingdom. He determined that the Balanced Scorecard was most effective when used for both operations and strategy, and when it allowed flexibility in times of organizational change. Blooinquist and Yeager (2008) chronicle the successful use of the Balanced Scorecard in a hospital setting by focusing on the roles of

organizational leaders in the development of priorities, the implementation of the program, and continued emphasis.

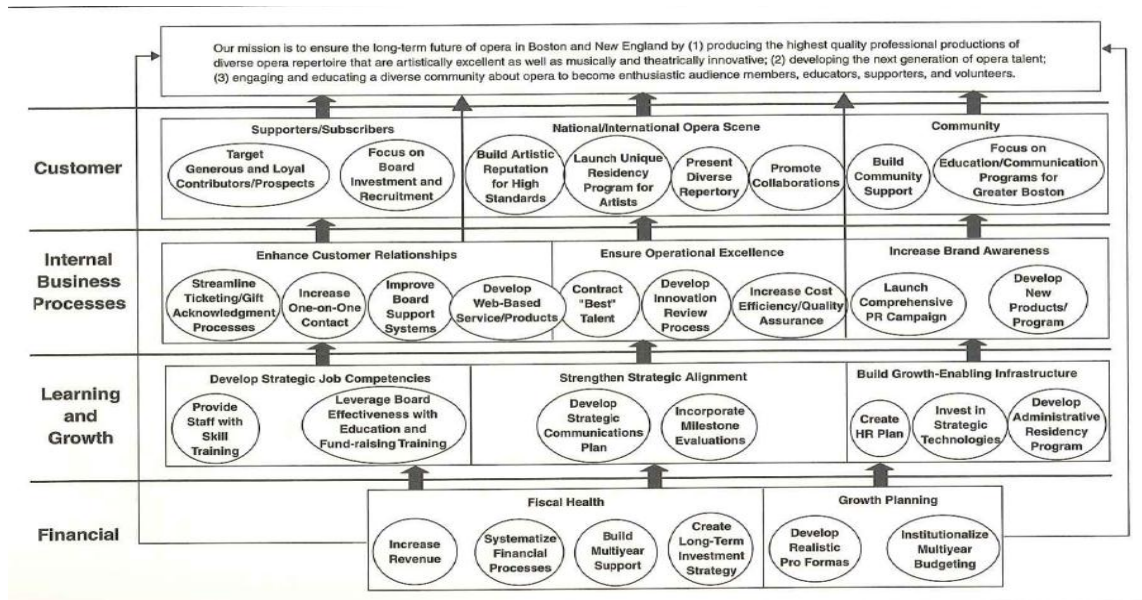
Duffin (2008) describes the application of a Balanced Scorecard as an individual performance measurement system for nurses working for the Netcare system. Nurses are measured based on a number of factors including patient and doctor satisfaction, quality of care, and safety. In all, 24 components are measured. These ratings ultimately affect the bonus amount each nurse is eligible to receive at the end of the year. The application of the scorecard to the broader hospital is not explored in-depth, though it is mentioned.

According to Kong (2007) the Balanced Scorecard may be particularly difficult to implement in a non-profit setting. The relationship between stakeholders and non-profit organizations is more complex than the relationship between customers and for-profit enterprises. Non-profit organizations, according to Kong, do not have customers, but service recipients.

#### *Application of the Balanced Scorecard to Development*

Kaplan (2001) explores the adaptation of the Balanced Scorecard to the non-profit sector by shifting the importance of the four perspectives that make up the framework of the Balanced Scorecard. He states that the success of a non-profit organization should be measured by the extent to which the organization effectively and efficiently meets the needs of its constituencies. In researching several non-profit organizations' application of the Balanced Scorecard, he noted that some had placed the organizational mission and the customer at the highest levels of importance, rather than attaining financial goals. This weighting of priorities indicated to him

that meeting a need was more valuable than raising funds. See Figure 2 for an example of a non-profit Balanced Scorecard.



(Kaplan & Norton, 2004, p. 432)

Figure 2. Non-Profit Balanced Scorecard

### Conclusions

Criticisms of the Balanced Scorecard notwithstanding, the literature indicates it can be a worthwhile tool for non-profit agencies. The research of Robert Kaplan (2001) in particular showed the Balanced Scorecard, when altered for use in a non-profit agency, aligns with the areas of measurability commonly found in higher education development.

Extensive research has been conducted to develop new systems of organizational management and to test the usefulness of those already in existence, but this has been accomplished primarily in the for-profit world. The quantification of non-profit management has not been studied as extensively nor has there been a wide-spread focus on the development of worthy models.

This study attempted to determine if the Balanced Scorecard could be used in fundraising strategic planning and performance measurement by obtaining survey and interview data from professional development personnel. The study design is described in detail in Chapter III.

## CHAPTER III

### RESEARCH DESIGN

This chapter provides an overview of the research methodologies used for the quantitative and qualitative components of the study. The research participants, instruments, procedures, data analysis and hypotheses are discussed in detail. The study utilized the mixed methods approached described by Cresswell (2003).

The quantitative data obtained through a survey instrument provided the most comprehensive answers to the research questions making a QUAN-qual (Airasian & Gay, 2003) structure most appropriate. The qualitative information coming from subsequent interviews enhanced the quantitative data and provided a deeper context to better understand the quantitative results.

The survey measured attitudes about individual and institutional performance measurement and strategic planning, gathered descriptive information about performance measurement systems currently in use and opinions about which of the measurements most accurately predict fundraising success. It also assessed respondents' knowledge of the Balanced Scorecard and how well they believe components of the scorecard may measure issues important to higher education development. The data was used to make inferences regarding the applicability of the Balanced Scorecard as a successful tool for performance management and strategic planning in higher education fundraising.

Survey participants were asked to answer questions about their professional status, time in the field of development, institutional size and structure, and the number of personnel in their respective development offices to help provide background information. They were asked to answer Likert scale items ranging from Strongly Agree to Strongly Disagree, treated in this case as categorical data, to determine opinions about currently used performance measurement and strategic planning systems. Participants were asked to rank items in order of most to least importance to determine perceptions about which aspects of the Balanced Scorecard relate to successful development practices. They were asked to rank as most to least important various performance measurements commonly used in development such as the amount of money raised by an individual and the number of donor contacts an individual has completed. Open-ended questions were used to provide data about specific measurement items currently in use at each institution.

Qualitative data were obtained through interviews with six respondents to the survey. I identified two respondents at each of three levels of the professional scale in hopes of gathering deeper opinions from the staff engaged in front-line academic fundraising, mid-level management, and executive leadership.

The interview questions were intended to gain deeper insight into the opinions expressed through the survey responses. The questions centered on the respondents' opinions of performance measurement and strategic planning methodologies and whether the Balanced Scorecard is well suited for use in the profession.

## *Quantitative Component*

### *Participants*

The survey was administered to 364 professional development staff members serving in 21 four-year public institutions of higher education in Alabama, Mississippi, and Tennessee. A total of 52 chose to participate. The states were chosen because they are home to a variety of public colleges and universities, listed and discussed in Chapter I. These institutions offer similar missions of education, research, and service and a variety of educational experiences, student body sizes, and physical locales. The student bodies of these institutions reflect the diversity of those across the American landscape including traditional students, non-traditional students, commuter students, professional students, and graduate students. The alumni of these institutions are local, regional, national, and international, as are other constituencies that have an interest in providing financial support.

The similarities and differences in these institutions also are reflected in the ways their development offices are staffed and the ways in which they function. Some institutions employ large staffs and some employ only a few development personnel. Some institutions raise multi-million dollar gifts regularly while others spend the majority of their efforts on smaller gifts.

These institutional and development representations are reflective of the national higher education landscape of large research institutions. It is my hope that institutions of higher education outside the scope of this study will find the data applicable to their needs, helpful in understanding trends in performance measurement and strategic planning, and in determining if the Balanced Scorecard might be a useful tool within their organizations.

### *Instruments*

The survey included items intended to obtain basic information regarding the respondents, their offices, their institutions, and their opinions regarding various aspects of performance measurement and the Balanced Scorecard. See Appendix I to review the full survey.

My preliminary work on developing the survey instrument included input from a group of development professionals including staff members from the University of Mississippi, Vanderbilt University, Vanderbilt University Medical Center, University of Texas – Southwestern School of Medicine, and consultants specializing in the fundraising field. The group was asked to provide feedback on questions related to demographics, development measurements, opinions, and the Balanced Scorecard. Respondents also were asked to explain their idea of what each question meant and to give their opinion of how to better ask each question.

This feedback led to several changes to the original questions. For example, a yes or no question (see Appendix I question number 6) related to “major academic medical centers” was transformed into a multiple choice question regarding an institution’s association with various types of healthcare organizations after several respondents found the term “major” to be confusing. A choice of “I don’t know” was added to several questions after respondents reported difficulty answering those questions definitively.

To further refine the instrument, I consulted a panel of experts in the field of development in a small group setting to further establish validity and reliability. This panel of experts



consisted of one development professional from Vanderbilt University and two from the University of Mississippi. The panel was convened via conference call and asked to review the revised survey items and provide feedback to improve content and construct of the items.

I read each question aloud and asked the group members if the question was clear or if it needed to be reworded. On several occasions, one or more members of the group requested that a question be rewritten or clarified. For example, question number 4 excluded medical center fundraisers. A member of the group questioned if data was to be collected from development officers raising funds for athletic departments. It was not my intent to collect data from that particular group; therefore, it was suggested that “athletics” fundraisers be added to the list of exclusions.

### *Procedures*

This study was intended to answer the set of research questions listed in Chapter I through quantitative and qualitative means by collecting data from respondents about their institutions, their opinions about performance measurement metrics, strategic planning, and the components of the Balanced Scorecard.

The research questions were as follows.

1. What types of metrics are most widely used in individual and institutional performance measurement and strategic planning in development at institutions of higher education?
2. What are the attitudes of development practitioners at institutions of higher education regarding the use of quantifiable metrics in measuring individual and institutional fundraising performance and strategic planning?

3. Is the Balanced Scorecard currently utilized as a tool for individual and institutional performance measurement and strategic planning in development at institutions of higher education?
4. Is the Balanced Scorecard an applicable tool for individual and institutional performance measurement and strategic planning in development at institutions of higher education?

To answer these questions, the survey was sent electronically to the members of the development staffs of 21 institutions of higher education in the states of Alabama, Mississippi, and Tennessee. The sample was pre-contacted via email with an explanation of the research and a request for their participation. The survey was conducted electronically, making it possible to send a second email to the sample including a hyperlink to the survey questions. The survey questions were hosted through the web-based survey program, [www.kwiksurveys.com](http://www.kwiksurveys.com).

A second email was sent to non-respondents two weeks after the initial survey link was sent. A third email was sent to remaining non-respondents two weeks later. These email templates can be reviewed in Appendix III.

### *Hypotheses*

Seven hypotheses were originally constructed for this study. Hypotheses 6 and 7 could not be adequately addressed quantitatively and were abandoned in favor of more significant discussion of qualitative data related to research question 4. The following five hypotheses addressed the research questions from a quantitative perspective:

1. There is no significant relationship between the size of an institution's student body and the use of quantifiable performance metrics and strategic planning tools within that institution's development office.
2. There is no significant relationship between the number of years a survey respondent has worked in the field of development and that respondent's opinions towards the value of quantifiable performance metrics and strategic planning tools in higher education development.
3. There is no significant relationship between the number of years a survey respondent has worked in development as his or her current institution and that respondent's opinions towards the value of quantifiable performance metrics and strategic planning tools in higher education development.
4. There is no significant relationship between the presence of management responsibilities in a respondent's job description and that person's knowledge of the Balanced Scorecard.
5. There is no significant relationship between the size of an institution's student body and that institution's use of the Balanced Scorecard in the development office.

### *Variables*

Hypotheses 1 through 5 were assigned independent and dependent variables and specific questions from the survey were identified to provide quantitative data for each variable. The data for hypotheses 1 through 5 were treated as categorical items. Specific descriptions of categorical

sizes are provided in Chapter IV under the data analysis section for each hypothesis. Basic variable descriptions are as follows:

1. **Independent variable** - Size of an institution's student body. Survey data were categorized into four sections for the original data analysis. The website for the National Center for Education Statistics ([nces.ed.gov](http://nces.ed.gov)) was used to determine the size of institutional undergraduate student bodies.

**Dependent variable** (Question 14) - Use of quantifiable performance metrics. Survey data was grouped into "yes" or "no" categories.

2. **Independent variable** (Question 1) - Number of years a survey respondent has worked in the field of development. Data were grouped into five categories for the original chi-square analysis.

**Dependent variable** (Question 16) - Opinions towards the value of quantifiable performance metrics. Data were provided by Likert scale answers where 1 = strongly disagree and 5 = strongly agree. Numeric answers were treated as categorical data.

3. **Independent variable** (Question 3) - Number of years a survey respondent has worked in development at his/her current institution. Five categories were established representing various spans of employment length.

**Dependent variable** (Question 16) - Opinions towards the value of quantifiable performance metrics. Data were provided by Likert scale answers where 1 = strongly disagree and 5 = strongly agree. Numeric answers were treated as categorical data.

4. **Independent variable** (Question 7) - Presence of management responsibilities. Categories were established based on the number of staff members managed by survey respondents.

**Dependent variable** (Question 23) - Knowledge of the Balanced Scorecard. Yes or no answers were treated as categorical.

5. **Independent variable** (Identified through the NCES) - Size of an institution's student body. Survey data were categorized into four sections for the original data analysis.

**Dependent variable** (Question 22) - Use of the Balanced Scorecard. Three categories represented respondents who chose yes, no, or I don't know.

#### *Data Analysis*

##### *Descriptive Statistics*

The results of the survey data were statistically analyzed through IBM SPSS version 19 to provide descriptive statistics about biographical information from the respondents such as institution and staff size, number of years in the profession, management responsibilities, performance and strategic planning measurements utilized by their institutions, and opinions about those measurements. Descriptive statistics also were used to assess respondents' knowledge of the Balanced Scorecard and institutional use of the Balanced Scorecard.

##### *Inferential Statistics*

##### *Chi-square*

The original intent of this study was to utilize regression as the major means of statistical analysis. However, after reviewing the data obtained through the survey, it was determined that

the information was most appropriately reviewed in categorical form. For example, Likert scale items ranging from 1 to 5 were treated as categories reflective of respondents grouped as those who agree, disagree, or have a neutral opinion. Consequently, regression analysis was abandoned in favor of chi-square as a more appropriate method of data analysis.

Because the independent and dependent variables in the hypotheses of this study are categorical, a non-parametric test was used to analyze survey results: The two-way chi-square analysis was used as a method of comparing observed frequencies with expected frequencies, thereby providing evidence of the existence or lack of a relationship between two nominal variables (Hinkle, Wiersma, & Jurs, 2003). Expected frequencies are defined as those developed as a hypothesis while observed frequencies are those seen in the field by the researcher.

### *Qualitative Component*

#### *Participants*

Emergent sampling (Patton, 2002) was used in the selection of interview subjects. Survey respondents were given an opportunity to opt out of future contact from the researcher upon completion of the survey questionnaire. The interview participants then were selected from the 30 respondents to the quantitative survey that did not choose to opt out of future contact. Responses to questions regarding management responsibilities, job descriptions, length of tenure, and job title were used to identify potential interview subjects who represented various levels of seniority and responsibility within the development field including front line fundraisers, middle managers, and executive leaders. Participants were asked to sign a consent form, which is included as Appendix IV.

### *Instruments – Interview Guide*

An interview guide approach (Patton, 2002) was used to format discussions with the interview subjects. This approach allowed me to have flexibility during the interview process by establishing guidelines for the interview without detailing follow up questions that were appropriate in some interview sessions. Questions focused on opinions, values, feelings, knowledge, and background/demographic information.

The questions were semi-structured in nature to achieve objective and complete answers while controlling the length of time taken for each interview (Airasian & Gay, 2003). A small panel of development practitioners from Vanderbilt University and the University of Mississippi reviewed the interview questions to maximize effectiveness.

The purpose of the interview questions was to elicit deeper understanding of the quantitative data and thicker description of the opinions and attitudes expressed in the survey data per the QUAN-qual approach (Ariasian & Gay, 2003). The interview guide is posted in Appendix II, but additional questions also were utilized during each interview.

### *Instruments – Researcher*

My educational backgrounds in journalism and higher education administration and my professional experience as a development officer in higher education have equipped me with a relational style of questioning. While the interview guide provided the basic interview questions, I tried to create an environment that allowed the respondent to provide additional information when appropriate.

As a professional development officer for more than 12 years, I have developed my own opinions as to the efficacy of quantifiable performance measurement and strategic planning tools

in higher education fundraising. I have assisted in the development of measurement protocols and adhered to others developed by institutional leaders. Besides my own professional experience, I have engaged in professional conferences in which performance measurement was a major topic of discussion.

These experiences have shaped my opinion toward the concepts addressed in this study. Denzin (1989b as cited in Ariasian & Gay, 2003) concluded that researcher bias is an inevitable component of all research regardless of the methods used in the study. Ariasian and Gay (2003) state that constructive analysis, as was applied to the data obtained through these interviews, is expected to include researcher bias as a part of reflection and analysis.

#### *Procedures*

After the survey results were obtained and data analysis was completed, I identified six of the 30 willing participants for individual interviews using the process described later in Chapter IV. I interviewed personnel across several lines of the development organization by including pure front line fundraisers, mid-level managers, and executive leaders in the interview component of the study.

Interview subjects were contacted by email following their submission of the initial quantitative survey. Each interview was conducted using Skype software and recorded using MP3 Skype Recorder software. I transcribed the interviews into Microsoft Word documents while playing the audio file using Microsoft Windows Media Player software.

To begin the interview process, I attempted to establish a rapport with the interview subjects by discussing the nature of the research and providing an overview of the types of information the questions were designed to elicit. I asked open-ended interview questions based



on the survey questions presented in the quantitative portion of the study. The semi-structured nature of the questions allowed me to probe for expanded answers if necessary while still controlling the pace and scope of the interview.

Process feedback (Patton, 2002) was inserted purposefully throughout the interview to encourage interview subjects and bolster their confidence in answering questions or to bring them back to the purpose of the question if they veered off course.

### *Research Questions*

The four research questions listed in Chapter I transcend both the quantitative and qualitative components of the study. The qualitative portion attempted to address these questions based on feedback from interview participants. Common themes were extrapolated from the interviews using data analysis techniques described below then applied to the research questions.

### *Data Analysis*

Transcribed interviews were used for analysis. Qualitative data analysis is affected heavily by the typology of the inquiry and the theoretical framework used to conduct the study (Patton, 2002). The qualitative component of this study was evaluative in nature and ethnographic in orientation. It sought to summarize and provide judgment to the performance evaluation and planning methods currently used in higher education development and the potential application of the Balanced Scorecard. The depth of information provided through the interviews was viewed through the lens of the culture of performance management in higher education development.

Cross-case analysis (Patton, 2002) of the interview questions was conducted. I have provided a synthesis of the answers to specific questions, identified themes that developed across

the interviews, and related conclusions to the four research questions outlined in Chapters I and III.

Reflective analysis was applied to the transcripts to generate thick description and discover “constructs, themes, and patterns” (Gall, Gall, & Borg, 2007, p. 472.). To adequately perform reflective analysis, the transcripts were each reviewed multiple times so as not to misinterpret results that either enhanced or conflicted with the results of the quantitative portion of the study.

#### *Conclusion*

The QUAN-qual approach was intended to provide accurate and in-depth analysis of the research questions and hypotheses. While the quantitative component provided categorical data for review and analysis, the qualitative piece allowed for a deeper discussion, especially related to the opinions held by development professionals about performance measurement techniques and the applicability of the Balanced Scorecard to higher education development.

This chapter provided a description of the quantitative and qualitative research designs and data analysis techniques used in each component. Chapter IV will review the research in detail. Discussion of the results and conclusions related to hypotheses and research questions will take place in Chapter V.

## CHAPTER IV

### RESULTS

This chapter presents the results of data analysis conducted for both the quantitative and qualitative sections of the research. Quantitative analysis was performed using SPSS version 19 software. Descriptive statistics were obtained and chi-square analysis was performed for each hypothesis. The hypotheses are as follows:

1. There is no significant relationship between the size of an institution's student body and the use of quantifiable performance metrics and strategic planning tools within that institution's development office.
2. There is no significant relationship between the number of years a survey respondent has worked in the field of development and that respondent's opinions towards the value of quantifiable performance metrics and strategic planning tools in higher education development.
3. There is no significant relationship between the number of years a survey respondent has worked in development at his or her current institution and that respondent's opinions towards the value of quantifiable performance metrics and strategic planning tools in higher education development.
4. There is no significant relationship between the presence of management responsibilities in a respondent's job description and that person's knowledge of the Balanced Scorecard.

5. There is no significant relationship between the size of an institution's student body and that institution's use of the Balanced Scorecard in the development office.

The results of the qualitative research are discussed in narrative form. Descriptive information is provided about the interview participants, although their identities remain confidential. Cross case analysis and reflective analysis were used to discover themes and constructs.

### *Quantitative Component*

#### *Descriptive Statistics - Demographics*

It is important to understand the makeup of the sample in order to interpret the data results within the appropriate context. The 52 respondents who completed the survey represent development professionals with primary responsibilities in major gifts (n=24; 46.2%), executive leadership (n=11; 21.2%), annual giving (n=7; 13.5%), planned giving (n=6; 11.5%), corporate or foundation giving (n=2; 3.8%), alumni relations (n=1; 1.9%), or "other" (n=1; 1.9%).

Only 10 (19.2%) of the respondents had no personnel management responsibilities. Half of the respondents (n=26; 50%) supervised between one and five other staff members, and six (11.5%) of the respondents had more than 21 staff members under their supervision.

The majority of respondents served at institutions with an undergraduate population of between 20,000 and 25,000 students (n=23; 44.2%). One-fourth of the respondents (n=13; 25%) worked at institutions with an undergraduate population of between 10,000 and 15,000 students. The remaining respondents were employed by institutions with student bodies of less than 10,000 undergraduates.

The highest percentage of respondents (40.4%) had worked in the field of development between 11 and 20 years, and the majority of respondents (n=18; 34.6%) had worked for their current institution for only one to five years.

#### *Descriptive Statistics – Quantifiable Metrics in Performance Evaluations*

A large majority of respondents (n=43; 82.7%) reported that quantifiable metrics were a part of their annual review process. Twenty-eight (53.8%) agreed that metrics are an appropriate method of evaluating development officer performance and 15 (28.8%) strongly agreed with that statement. Only five (n=5; 9.6%) disagreed or strongly disagreed with that statement.

The highest number of respondents (n=18; 34.6%) reported that annual salary increases, bonuses, or promotions were not based on performance metrics. Seven (13.5%) responded that 50% to 75% of salary or bonus decisions were based on performance metrics and seven (13.5%) said that 100% of salary increases, bonuses, or promotions were based on performance metrics at their institutions.

#### *Descriptive Statistics – Balanced Scorecard*

There was little familiarity with the Balanced Scorecard among the survey respondents. Forty-five (86.5%) reported that they were not familiar with the tool. No respondents reported that the Balanced Scorecard was used within their organization, 18 (34.6%) said that they did not know, and two (3.8%) chose not to answer the survey item.

Thirty-five (67.3%) respondents agreed that it is important to view the fundraising process from the perspective of financial outcomes, and 14 (26.9%) strongly agreed with this statement. Only three (5.8%) of the respondents disagreed with this statement.

It was agreed or strongly agreed by 51 respondents (98.1%) that the fundraising process should be viewed through the perspective of external stakeholders, 47 (90.4%) agreed or strongly agreed that the fundraising process should be viewed through the perspective of business processes and internal procedures, and 42 (80.8%) agreed or strongly agreed that the process should be viewed through the perspective of employee and professional development.

When asked to rank the four perspectives in terms of importance, 21 (40.4%) ranked the financial perspective as most important while 18 (34.6%) ranked the financial perspective as the second most important of the four. Nineteen (36.5%) ranked the external stakeholder perspective as the most important, 12 (23.1%) ranked it second and 10 (19.2%) ranked it as third. Rankings of the internal business process perspective were clustered towards the middle to bottom with 14 (26.9%) ranking it second, 17 (32.7%) ranking it third, and 15 (28.8%) ranking it as the least important. The employee innovation and professional development perspective was similarly ranked toward the bottom with 17 (32.7%) ranking it third and 21 (40.4%) ranking it as the least important of the four.

### *Inferential Statistics*

Inferential statistics are presented for each hypothesis. Discussions and conclusions around each hypothesis take place in Chapter V.

*Hypothesis 1: There is no significant relationship between the size of an institution's student body and the use of quantifiable performance metrics and strategic planning tools within that institution's development office.*

Survey item number 14, "Performance metrics are part of my annual review," was analyzed using a two-way chi-square analysis along with categories of undergraduate student

body size as determined in advance by the researcher. Categories were assigned as 1 = 5,000 to 10,000 undergraduate students; 2 = 10,001 to 15,000 students; 3 = 15,001 to 20,000 students; and 4 = 20,001 students or more.

The chi-square analysis utilizing all four categories of student body size produced a 4x2 table that included four cells (50%) with expected frequencies of less than five. The Cochran rule states that no fewer than 80% of the expected frequency cells in a chi-square table may contain values of less than five (Rayson, Berridge, & Francis, 2004).

One method of overcoming low expected frequency values is to combine like categories to produce a smaller number of contingency table cells (Rayson et al., 2004). In this case, categories 1 (5,000 to 10,000 undergraduate students) and 2 (10,001 to 15,000 students) were combined to form one new category consisting of institutions with 5,000 to 15,000 students. Categories 3 and 4 were likewise combined to form one new category consisting of institutions with 15,001 or more undergraduates. The new 2x2 output table (Table 1) shows the resulting actual and expected counts from the newly combined categories.

Table 1

*Use of Metrics by Size of Undergraduate Student Body*

Number of Students	Counts	Use of Metrics		
		No	Yes	Total
5,000 – 15,000	Count	8	12	20
	Expected	3.5	16.5	20
15,000 – 20,000 +	Count	1	31	32
	Expected	5.5	26.5	32
Total	Count	9	43	52
	Expected	9	43	52

Table 2

*Pearson Chi-square and Fisher's Exact Test Scores*

	Value	Asymp. Sig.	Exact Sig (2-sided)	Exact Sig (1-sided))
Pearson Chi-square	11.693*	.001		
Fisher's Exact Test			.001	.001

*\*1 cell (25%) has an expected count less than 5. The minimum expected count is 3.46.*

The p-value for this chi-square test, where the size of an institution's student body is the independent variable and institutional use of metrics is the dependent variable, is significant at  $p = .001$ . However, one cell (25%) remains under the necessary mark of five, indicating that the



chi-square test is invalid. This circumstance nullifies the results of the chi-square test according to the Cochran rule (Rayson et al., 2004).

For 2x2 contingency tables, Fisher's exact test may be conducted as an alternative when the expected cell frequency minimum is not met in the chi-square test. There is no minimum expected value to be achieved for the Fisher's exact test (Rayson, 2003). The resulting p-value for hypothesis 1 was  $p = .001$ . The null hypothesis was rejected based on this finding.

*Hypothesis 2: There is no significant relationship between the number of years a survey respondent has worked in the field of development and that respondent's opinions towards the value of quantifiable performance metrics and strategic planning tools in higher education development.*

In this model, the number of years a respondent has worked in development was addressed in survey item number 1, where five categories were assigned; 1 = less than 1 year, 2 = 1 to 5 years, 3 = 6 to 10 years, 4 = 11 to 20 years, and 5 = 21 years or more. Opinions towards the value of metrics were addressed in survey item number 16, which was worded as follows: "Quantifiable metrics are an appropriate method of evaluating the performance of a development officer." Answers were given on a Likert scale in which 1 = Strongly disagree and 5 = Strongly agree. The Likert scale responses were treated as categorical data.

The initial chi-square test produced 26 cells (86.7%) with expected values less than five. Categories reflecting years worked in development were combined to create two larger categories where 1 = less than 1 year to 10 years, and 2 = 11 or more years.

Likewise, the Likert scale items reflecting opinions on metrics were combined into three separate categories of disagree, neutral, and agree. A new 2x3 contingency table (Table 3) was created.

Table 3

*Opinions on Metrics by Years in Development*

Years in Development	Counts	Opinions on Metrics			Total
		Disagree	Neutral	Agree	
<1 – 10	Count	3	1	20	24
	Expected	2.3	1.8	19.8	24
11 – 20 +	Count	2	3	23	28
	Expected	2.7	2.2	23.2	28
Total	Count	5	4	43	52
	Expected	5	4	43	52

Table 4

*Pearson Chi-square and Cramer's V Scores*

	Value	Asymp. Sig.	Approx. Sig.
Pearson Chi-square	1.108*	.575	
Cramer's V	.146		.575

*\*4 cells (66.7%) have expected count less than 5. The minimum expected count is 1.85.*

The achieved p-value was not significant ( $p = .575$ ). The new 2x3 table (Table 3), however, produced four cells (66.7%) with an expected frequency of less than five, thereby nullifying the chi-square result according to the Cochran rule (Rayson, et.al., 2004). Fisher's exact test was not applied as it is unavailable for tables larger than 2x2 in the standard edition of SPSS 19. We cannot reject the null hypothesis based on the nullified chi-square results.

*Hypothesis 3: There is no significant relationship between the number of years a survey respondent has worked in development at his or her institution and that respondent's opinions towards the value of quantifiable performance metrics and strategic planning tools in higher education development.*

Chi-square analysis also was applied to this hypothesis utilizing survey item number 3: "How many years have you worked at your current institution as a development officer in any capacity?" as the independent variable. Choices were limited to five categories: 1=Less than one year, 2 = 1 to 5 years, 3 = 6 to 10 years, 4 = 11 to 20 years, and 5 = 21 years or more. The dependent variable was determined by survey item number 16: "Quantifiable metrics are an appropriate method of evaluating the performance of a development officer." Answers were given on a Likert scale where 1 = Strongly disagree and 5 = Strongly agree. Likert scale data was once again treated as categorical.

The chi-square analysis produced 26 cells (86.7%) with expected values of less than five, meaning the chi-square results were invalid. Categories were once again combined to address this issue (Rayson et al., 2004). The independent variable categories, those addressing the number of years a respondent has worked in development at his or her current institution, were combined to form two categories of 1 = Less than one year to 10 years and 2 = 11 years or more.

The dependent variable categories reflecting respondent's opinions on the use of metrics were combined to form three categories; disagree, neutral, and agree. The new categories produced a 2x3 contingency table (Table 5).

Table 5

*Opinions on Metrics by Years in Development at Current Institution*

Years at Institution	Counts	Opinions on Metrics			Total
		Disagree	Neutral	Agree	
<1 – 10	Count	5	2	40	47
	Expected	4.5	3.6	38.9	47
11 – 20 +	Count	0	2	3	5
	Expected	.5	.4	4.1	5
Total	Count	5	4	43	52
	Expected	5	4	43	52

Table 6

*Pearson Chi-square and Cramer's V Scores*

	Value	Asymp. Sig.	Approx. Sig.
Pearson Chi-square	8.383*	.015	
Cramer's V	.402		.015

*\*5 cells (83.3%) have expected count less than 5. The minimum expected count is .38.*

The new chi-square analysis produced a significant p-value ( $p = .015$ ), but included five cells (83.3%) with an expected count of less than five. The chi-square results were once again invalidated due to the Cochran rule (Rayson et al., 2004). Fisher's exact test was not available in this situation because the resulting contingency table was larger than  $2 \times 2$ .

*Hypothesis 4: There is no significant relationship between the presence of management responsibilities in a respondent's job description and that person's knowledge of the Balanced Scorecard.*

The resulting chi-square analysis produced an insignificant p-value of  $p = .656$ , but 11 cells (73.3%) had an expected count of less than five which invalidated the test results (Rayson et al., 2004). Categories within the independent variable were combined to address the situation.

The original independent variable categories reflecting the presence of management responsibilities were combined to form two categories; 1 = 10 or fewer staff members managed and 2 = 11 or more staff members managed. The dependent variable categories of no, yes, and no answer remained the same. A new  $2 \times 3$  contingency table was created (Table 7).

Table 7

*Knowledge of the Balanced Scorecard by Presence of Management Responsibilities*

		Knowledge of the Balanced Scorecard			
Management Responsibilities	Counts	No	Yes	No Answer	Total
<1 – 10	Count	38	4	2	44
	Expected	38.1	4.2	1.7	44
11 – 20 +	Count	7	1	0	8
	Expected	6.9	.8	.3	8
Total	Count	45	5	2	52
	Expected	45	5	2	52

Table 8

*Pearson Chi-square and Cramer's V Scores*

	Value	Asymp. Sig.	Approx. Sig.
Pearson Chi-square	.446*	.800	
Cramer's V	.093		.800

\*4 cells (66.7%) have expected count less than 5. The minimum expected count is .31.

The p-value for the newly constructed chi-square analysis was insignificant ( $p = .800$ ), but the results were once again invalidated by the number of cells ( $n = 4$ ; 66.7%) that contained

expected counts of less than five (Rayson et al., 2004). Fisher's exact test could not be used with the 2x3 contingency table. The null hypothesis could not be rejected.

*Hypothesis 5: There is no significant relationship between the size of an institution's student body and that institution's use of the Balanced Scorecard in the development office.*

The original chi-square analysis produced an insignificant p-value ( $p = .878$ ) but included eight cells (66.7%) that held a count of less than five. The results were invalid based on Cochran rule (Rayson et al., 2004). Categories within the independent variable were combined to address this issue. The new independent variable categories reflecting undergraduate student body size were 1 = 5,000 to 15,000 students and 2 = 15,001 or more students. The dependent variable categories of "yes", "no", and "I don't know" remained the same. Instances where respondents chose not to answer the question also were included (Rayson, 2003). The resulting data produced a 2x3 contingency table (Table 9).

Table 9

*Use of the Balanced Scorecard by Undergraduate Student Body Size*

Number of Students	Counts	Use of the Balanced Scorecard			Total
		No	I don't know	No answer	
5,000 – 15,000	Count	13	7	0	20
	Expected	12.3	6.9	.8	20
15,001 – 20,000 +	Count	19	11	2	32
	Expected	19.7	11.1	1.2	32
Total	Count	32	18	2	52
	Expected	32	18	2	52

Table 10

*Pearson Chi-square and Cramer's V Scores*

	Value	Asymp. Sig.	Approx. Sig.
Pearson Chi-square	1.315*	.518	
Cramer's V	.159		.518

\*2 cells (33.3%) have expected count less than 5. The minimum expected count is .77.

The resulting table shows that no respondent chose “Yes” in regards to their institution’s use of the Balanced Scorecard. The chi-square analysis produced an insignificant p-value of  $p = .518$  but included two cells (33.3%) with expected counts of less than five. The results were



invalidated, and the null hypothesis could not be rejected (Rayson et al., 2004). Fisher's exact test was not performed due to the size of the contingency table.

### *Qualitative Component*

Qualitative data was collected through individual interviews as described in Chapter III. The results of these interviews are presented below by a description of three primary themes extrapolated from the interviews and a discussion of the interview data as they relate to the four overarching research questions of the study.

Using cross case and reflective analysis, I read through the transcripts of each interview in search of relevant themes and constructs. My intent was two-fold; first, to utilize the interviews as a deeper analysis of the quantitative data supplied by the survey and second, to understand how the Balanced Scorecard might fit into the scheme of performance evaluations and strategic planning in higher education development.

Descriptive statistics are included as a precursor to the broader discussion of the qualitative points relative to the research questions. The themes are defined and presented in relation to the overall study. Research questions are listed with relevant qualitative data. Demographic information about the interview subjects also is provided.

### *Demographics*

Six survey respondents were chosen to participate in the interview process based on emergent sampling. The pool of potential interview participants included only those survey respondents who indicated in their survey submission that they were open to further contact. Thirty (58.82%) of the survey respondents gave permission for further contact.

I categorized the survey responses first by self-identified job classification (see survey question 35, Appendix I) and then by the number of personnel each respondent reported to supervise (see survey question 7, Appendix I). I created three lists of respondents separated into three categories; executive leaders, middle managers, and front-line fundraisers.

Executive leaders were entirely self-identified through the survey instrument. No factors beyond question number 35 (see Appendix I) were used to define that group. Middle managers were identified as survey respondents who indicated their area of responsibility (see question number 35 in Appendix I) as “major gifts” and further identified (see question number 7 in Appendix I) that they supervised at least one staff member. Front-line fundraisers were listed as those respondents who indicated their area of responsibility as “major gifts” and identified themselves as supervising no other personnel.

I randomly selected names from the three lists and contacted two individuals from each category via email. All six responded affirmatively to my request for a 30 – minute follow up interview. Of those interviewed, two were identified as executive leaders, two as middle managers, and two as front-line fundraisers.

The interview group represented the development profession at critical points of individual experience and professional responsibility. No participant had served as a development professional for fewer than five years, with the longest tenured participant having served more than 20 years in the field. The job titles associated with the group ranged from Director of Development to Vice President for Advancement. For the purposes of reporting and discussion, identifying information about the interview subjects has been removed or changed to protect confidentiality.

### *Themes*

Three themes emerged from the qualitative interviews that bear on the overall research questions of the study. The themes and how they relate to the research questions will be discussed in greater detail in Chapter V.

Theme 1: Performance evaluation and strategic planning systems are in a fluid state of construction, and the types of functions measured by those systems vary from one institution to the next.

Theme 2: Development professionals consider the application of quantifiable performance metrics to be a positive development in the field of higher education fundraising.

Theme 3: Development professionals tend to agree on which types of measures are effective and helpful in strategic planning and performance evaluations, but they vary in opinions on which particular measures are appropriate.

### *Research Questions*

The qualitative component of the study provided substantial information related to the research questions. Each question is discussed below and descriptive statistics, collected from the survey instrument, are also included for context.

*Research Question 1.) What types of metrics are most widely used in individual and institutional performance measurement and strategic planning in development at institutions of higher education?*

The most relevant theme to this research question is described by Theme 1: Performance evaluation and strategic planning systems are in a fluid state of construction, and the types of functions measured by those systems vary from one institution to the next.

The study revealed a variety of measurement points being utilized within the sample. The interview participants provided specific examples such as face-to-face visits, number of solicitations delivered, and in some cases the amount of money raised by a development professional. The one common function measured at every institution interviewed was the number of face-to-face visits in which a development officer engaged over the course of the year. The number of visits expected to be made by each development officer varied from twelve visits to eighteen visits per month, with some institutions having expectations somewhere in between.

Still, every person interviewed for this study referenced significant changes in the performance measurement and strategic planning systems of their institutions within recent years. One middle manager stated, “There really wasn’t much accountability before (date removed). Then when we had a switch over in management, that changed.” This interview participant also noted that the performance measurements to which that institution’s staff is held had been significantly changed over the course of the previous year.

One executive leader noted that performance goals had not existed under previous leaders. “We put them (performance metrics) in place almost three years ago when I got here. Prior to that there were no performance metrics of any kind.”

An executive leader from another institution described how their performance metrics had changed considerably in recent years. At one time in this institution’s recent history, development personnel were held accountable for the amount of money they personally secured on behalf of the university. That is no longer the case. “We just found that, what would happen is that they would say ‘we raised the money and it doesn’t matter how many calls we made.’”

Another institution represented in the interviews had applied three different measurement scales over a three-year period. In the third year, the institution dropped several of the measured functions after deeming them to be insignificant, at least for now.

“We don’t count money, we count visits,” stated one executive leader. Development officers at this leader’s institution were required to meet only two objectives: a minimum number of face-to-face visits with potential donors and a minimum number of proposals submitted to those donors for funding.

A middle management level professional from another institution named a \$2,000,000 financial goal as part of his performance measurement requirements along with at least seven other measurable points.

Yet another middle management level professional, who led the implementation of performance metrics at her institution this year, said that performance measurements had previously been linked only to the number of face-to-face visits each development officer achieved. In addition to a minimum number of solicitations required for each member of the development staff, dollar goals were added this year based on each staff member’s tenure with the office.

*Research Question 2.) What are the attitudes of development practitioners at institutions of higher education regarding the use of quantifiable metrics in measuring individual and institutional fundraising performance and strategic planning?*

Quantitative data for hypotheses 2 and 3 were insufficient to make statistical conclusions related to this research question. Qualitative interview data, however, indicated that opinions tend to favor the use of performance measurement. Theme 2 identified in Chapter IV is

applicable: Development professionals consider the application of quantifiable performance metrics to be a positive development in the field of higher education fundraising.

I first asked each interview participant to describe the performance measurement system utilized within their offices and found that every person interviewed for this study worked for a development office in which some type of quantifiable performance metrics were used in planning and measurement.

Two interview participants stated that rewards were directly linked to their performance metrics. In those cases, salary increases were given to development officers who reached or exceeded specified goals. If a development officer did not meet the minimum expectations set, then he or she received no raise at all. Neither of these participants believed that the consequences associated with not achieving goals was severe because, as one front-line development professional stated, “no one’s been fired or anything for not making their goals.”

A similar statement was made by a middle-management level development professional who saw no particular rewards or consequences associated with the performance measurement system used at his institution. He said, “Literally, I could give you results from last year that show some people only met 20% of their goal, and those people are still here.” Raises or other benefits were not tied to performance measurement at his institution; however, he finds himself very much in favor of the system. When asked if the metrics reflected the true work being performed by development officers, this person replied, “For me it does. It’s something I’m very dedicated to; entering my stuff. So I think it’s very representative of what I’m doing.” This study did not conclusively identify the most appropriate types of measurements to use in development, but there is evidence the practitioners are open to new ideas.

*Research Question 3.) Is the Balanced Scorecard currently utilized as a tool for individual and institutional performance measurement and strategic planning in development at institutions of higher education?*

None of the survey respondents or interview subjects knew of the use of the Balanced Scorecard within their institutions. This is not to say that the concept has not been contemplated and rejected. As mentioned previously, the scorecard was adapted to the non-profit world by Robert Kaplan in 2001 (Kaplan, 2001). However, none of the upper-level administrators interviewed for this study were aware of it ever having been discussed at their institutions, including those interview subjects holding a vice president position.

The simple answer to this research question is that the Balanced Scorecard is not being utilized at all in the development offices contacted for this study. The interest with which the idea was received may indicate that future expansion of its use is possible.

*Research Question 4.) Is the Balanced Scorecard an applicable tool for individual and institutional performance measurement and strategic planning in development at institutions of higher education?*

Theme 3 resulting from the qualitative data analysis is a compelling answer to this research question: Although development professionals tend to agree that measures are effective and helpful in strategic planning and performance evaluations, they do not always agree about which particular measures are appropriate.

Survey respondents were asked to rank the four perspectives of the Balanced Scorecard in order of importance. The financial perspective and customer service perspective were each ranked highly by survey respondents with 21(40.4%) ranking the financial perspective as the

most important and 19 (36.5%) ranking customer service as the most important perspective. Eighteen (34.6%) respondents ranked the financial perspective as the second most important of the four. The highest number of respondents (n=17; 32.7%) ranked the internal business processes perspective as the third most important, while 12 (40.4%) ranked the learning and growth perspective as the least important of the four.

The four perspectives of the Balanced Scorecard were addressed in the interview component of the study by utilizing questions such as numbers 11, 12, 15, 16, 19, 20, 21, 22, 23, and 25 in the interview guide (see Appendix II). Feedback from the interview subjects suggests that the four perspectives of the Balanced Scorecard are indeed applicable to the field of fundraising in higher education.

Each interview participant spoke positively about the use of performance measurements at their institution, though not all were satisfied by how they are measured. “It’s not very challenging,” admitted one front-line fundraiser whose institution measures only the number of donor contacts made by a development officer and the number of major gift solicitations delivered during the year.

An executive leader whose institution also measured only face-to-face visits with prospective donors and the number of solicitations delivered believes strongly in that concept. “My philosophy is very much relationship driven. It’s not about the money, it’s about the relationships. The ultimate gift comes from relationships, not from just an ‘ask.’”

A development professional in middle management whose institution, before this year, measured only the number of donor contacts made by development officers said, “I never really



knew if I was doing a good job. I was making my visits. I was asking. I was getting some gifts but not all. But what was the expectation? Nobody could ever tell me.”

Despite these differences of opinion, the interview participants gave consistent feedback when asked to name the most important metric by which a development officer should be measured. The number of personal interactions a development officer achieves with his or her prospect pool and the number of major gift solicitations delivered were identified by each participant.

The participants focused primarily on the importance of relationships to the success of their work which emphasizes the prominence of a customer service perspective within the field. Each respondent mentioned face-to-face visits, that is, direction and purposeful interactions between development professionals and perspective donors, as one of the most important performance factors to consider. Said one institutional vice president when asked for the most important predictor of success, “Making calls. I mean, that’s what it’s all about. The face-to-face. And building the relationships.” She also described the effect that long-term relationship building has had on the way she functions in her job. “I’m to the point I don’t really have to go out and make face-to-face visits because they can do it over the phone because the relationships are so deep.”

She described the contrasting, and ineffective style, of a former university president who had not taken the time to build a connection with donors before asking for a financial gift. “The president before this one was all about the money and he pissed off all our donors...It was like he’d walk in and say, ‘I’m here to ask you for \$100,000,’ and they’d say, ‘I can’t do it.’ He’d

slam his notebook and walk out on them. Our people give. They do. And they respond when they need to, so we've been very fortunate in that respect.”

When asked what the best predictor of future success for a development officer might be, specific answers varied but could all be classified as leading indicator activities. Among the predictors mentioned were, ”the number of major gift asks delivered,” “visits,” “making calls,” and “cultivation.”

In Kaplan’s (2001) remodeled Balanced Scorecard for non-profit organizations, the customer service perspective is placed at a higher level of importance than the financial perspective. The definition of customer also is expanded to include both donors to the organization and the recipients of the organization’s services. This perspective is measured from the view of various institutional stakeholders.

Descriptive statistics were used to understand how respondents viewed stakeholders within the concept of development. Survey item number 31 was used to collect information on respondent views about development stakeholders. Participants were asked to rank a list of stakeholders in order of importance. The list included the following categories: Donors, non-giving alumni and other potential prospects, institutional administrators, faculty, students, staff, and “others.”

Forty-one (n=41; 78.8%) of the respondents chose donors as the most important stakeholders to whom development officers and institutions are accountable. Survey respondents did not place an equal level of importance on the recipients of service which are identified for the purposes of this study as institutional administrators, faculty, and students. Only three (n=3;

5.8%) of respondents identified institutional administrators as the most important stakeholders while no respondents identified faculty or students as the most important.

The opinions of interview participants mirrored those of the overall survey group. Every person interviewed mentioned donors as the primary stakeholders for development officers. A front-line fundraiser said, “That’s the whole point of our job,” in reference to the importance of the customer service perspective. Another said, “We do some surveys with alumni. When we sent out the stewardship reports recently we included a survey in there so we’re getting some feedback that way. I have asked some of my donors one-on-one about things to get their feedback.”

None of the interview participants specifically mentioned students, faculty, administrators or taxpayers as particularly important external stakeholders. As one middle-management level professional explained, “I feel as long as you’re interviewing (gaining feedback from a stakeholder group) the right people, like for me that would be major gift prospects even if they’re a faculty member. I think where you could get into some trouble is if you involve too many people in that. I think you really have to be careful in identifying the appropriate people who you do want feedback from.”

The interview subjects were also asked to respond to questions about the learning and growth and internal business processes perspectives of the Balanced Scorecard. Though none could report official measurements of activities related to these perspectives, most of those interviewed agreed that it would be valuable to do so. About learning and growth, one development professional said, “We do a little bit of it here. We do mentoring. We’ll hire coaches if we think somebody might have some issues that they need to address. We encourage

them to attend conferences that will help their skillset. And we also bring people in to train within our staff.”

A front-line fundraiser asked about the applicability of measuring learning and growth said, “I think definitely, because we just did a retreat yesterday, that the learning and growth perspective is applicable, because I see every time I go to a conference or retreat like that that gets you outside of your job, that gets you thinking about what you do. Even though you’ve heard it all before it does remind you, give you new ideas, and invigorates you.”

Some interview participants viewed internal business processes as points of data collection and tracking points often used by professional development offices. “I think in our jobs that would be the moves management, and database tracking. Are you getting contact reports in? Are you checking in with all the things that you’re supposed to be doing?’ All of the paperwork, which to me seems like a life sentence anyway. It’s like pulling teeth, but that’s something that’s measureable and accountable.”

Two participants referred to the auxiliary functions that sometimes support development work. Often referred to as advancement services, these groups provide services such as research on perspective donors, gifts processing and database management. Said one vice president, “Advancement Services is always working to improve processes. It’s more constant that process. Does that make sense? We’re always looking to improve. Every week that we meet, we’re talking about databases. You know, the database is always going to be the main thing. How long it takes to get a resolution or an MOA (Memorandum of Agreement) through. So we’re always looking at that.” Another front-line fundraiser said this of internal business processes, “Part of it

is stewardship and research; Advancement Services. I don't know that they really look at the processes that development people do.”

### *Conclusion*

These quantitative and qualitative results are discussed in greater detail, and in relation to the hypotheses and research questions, in Chapter V. Conclusions are drawn about the applicability of the Balanced Scorecard to higher education development based on a review of all results and the existing literature.

## CHAPTER V

### DISCUSSION

This chapter discusses the findings presented in Chapter IV and draws conclusions about those findings in relation to the research questions and hypotheses. Quantitative and qualitative discussions are listed separately. The quantitative component covers hypotheses 1 through 5. The qualitative component outlines the three themes extrapolated from the interview process and addresses them in relation to the research questions. Overall conclusions drawn about the use of the Balanced Scorecard in higher education development are included at the end of the chapter.

#### *Quantitative Component*

The original prospectus for this study included a plan to analyze the data by using regression analysis. After collecting data from the survey instrument, I determined that regression analysis was an insufficient means of analysis because the survey questions best suited to the hypotheses provided categorical data. Chi-square analysis is regarded as an effective means of determining whether or not a relationship exists between two independent sets of categorical data (Starnes, Yates & Moore, 2012). Regression analysis was abandoned in favor of chi-square, and hypotheses 1 through 5 were rewritten to an appropriate format for chi-square analysis.

For each of the first five hypotheses, the chi-square analysis was deemed invalid since more than 20% of the contingency table cells contained expected values of less than five. The descriptive statistics for this study may offer some explanation as to why insufficient data was

obtained for chi-square analysis. According to Starnes et al. (2012), a large sample size condition must be met to achieve sufficient expected frequencies valued at five or more. With only 52 survey respondents in total, the percentage of answers to each question provided inadequate numbers for chi-square calculations in keeping with the Cochran rule (Rayson et al., 2004). Nevertheless, the survey data provides interesting information for discussion.

This discussion addresses the chi-square analysis performed for hypotheses 1 through 5, the relevant descriptive statistics associated with each, and how those data relate to current literature.

#### *Inferential Statistics - Hypotheses*

*Hypothesis 1: There is no significant relationship between the size of an institution's student body and the use of quantifiable performance metrics and strategic planning tools within that institution's development office.*

After the initial chi-square test produced four cells with an expected value of less than five, the independent variable categories were combined into two categories resulting in larger values for each. The new independent variable categories were 1 = 5,000 to 15,000 students and 2 = 15,001 students or more.

The new significant p-value of .001 indicated a relationship between the independent variable of student body size and the dependent variable of institutional use of quantifiable performance metrics. This statistic alone would have been cause to reject the null hypothesis, however when 20% or more of the contingency cells in a chi-square analysis show an expected frequency of less than five, the p-value is invalidated (Rayson et al., 2004).

Fisher's exact test was used as a secondary analysis of the hypothesis data. This test can be used when the data produces a 2x2 contingency table, as was the case with hypothesis 1, and it does not require minimum expected values to be met (Rayson, 2003). Therefore the p-value is interpreted on its own. With a p-value of .001, I determined that the null hypothesis could be rejected indicating that there was evidence of a significant relationship.

The lowest percentage of survey respondents citing institutional use of performance metrics within the development office was 85.7% which represented schools with undergraduate student body sizes of 5,000 to 10,000 students. The highest percentages of groups claiming use of performance metrics were those in the 20,000 students and up category (95.7%) and the 10,000 to 15,000 student category (100%). The remaining category, 15,000 to 20,000 students, responded with 88.9% using some form of performance metrics in the development office.

Existing literature addresses some effects of organizational behavior. Kimberly and Evanisko (1981) concluded that larger organizations are more adaptive to innovation because the higher volume of activity which occurs in those organizations makes it easier to absorb the consequences of change. And a meta-analysis of innovation and organizational size data performed by Camisón-Zornoza, Lapiedra-Alcami, Segarra-Ciprés, and Boronat-Navarro (2004) confirmed the significant and positive correlation between those two factors as well. Larger universities, based on the size of their undergraduate student bodies, might likewise be more adaptable to change and therefore earlier adopters of quantifiable performance metrics.

*Hypothesis 2: There is no significant relationship between the number of years a survey respondent has worked in the field of development and that respondent's opinions towards the*



*value of quantifiable performance metrics and strategic planning tools in higher education development.*

The null hypothesis was not rejected following the insignificant p-value achieved by the chi-square analysis. In this case, the original chi-square calculations resulted in 26 contingency table cells having an estimated value below five. After combining categories representing the independent variable (the number of years a respondent has worked in the field of development) and the dependent variable (opinions towards the value of quantifiable performance metrics) a second chi-square analysis was performed again resulting in an insignificant p-value of .575. Fisher's exact test could not be performed because the contingency table representing combined categories was 2x3 cells in size, thereby surpassing the 2x2 contingency table threshold for SPSS 19. The null hypothesis therefore could not be rejected.

Although a statistical conclusion could not be reached based on the chi-square analysis, a review of the descriptive data does present some patterns worth discussing. First, the large majority of respondents (n=43; 82.7%) either responded that they agreed or strongly agreed that quantifiable performance metrics are an appropriate method of evaluating development officers. This indicates that, among the respondents to this study, a positive view of quantifiable metrics is held by development professionals of all tenure levels, regardless of the number of years they have worked in the field, though the level of enthusiasm differs between groups.

The literature on employee satisfaction and measurement systems seems to support this conclusion as well. As referred to in Chapter II, De Geuser et al. (2009) showed that employees feel a sense of empowerment when they understand organizational objectives more clearly. Stress is minimized as clarity about performance expectations increases (Burney & Swanson,

2010) and performance metrics, by their nature, create clarity around what is expected of employees. Benson and Brown (2011) concluded that the Baby Boomer generation had a higher level of job satisfaction and a lower willingness to quit their jobs than their coworkers from Generation X, but different organizational characteristics such as job security, coworker support, and the availability of adequate resources held varying weights of importance between the two groups. This research suggests that age may play a larger role in opinions about the importance of work factors, such as quantifiable performance measurement, than does the number of years a person has worked within development. Although the null hypothesis could not be rejected based on the high percentage of expected frequencies cells above five, the statistically insignificant p-value of  $p=.575$  indicates that no significant relationship existed between the two variables.

*Hypothesis 3: There is no significant relationship between the number of years a survey respondent has worked in development at his/her current institution and that respondent's opinions towards the value of quantifiable performance metrics and strategic planning tools in higher education development.*

The first chi-square analysis performed for hypothesis 3 yielded 26 cells with expected values below five. This result invalidated the test, and categories were combined where appropriate to address the issue. After combining independent variable categories (the number of years a respondent has worked in development at his or her institution) into three categories and dependent variable categories (opinions on metrics) into two categories, a second chi-square analysis was performed.

A significant p-value was given as a result of the chi-square test for hypothesis 3.  $P = .015$  might have allowed for the hypothesis to be rejected were it not for five contingency table

cells with values less than five once again invalidating the statistical test. Therefore the null hypothesis was not rejected. Fisher's exact test could not be used because the contingency table for this hypothesis was larger than 2x2.

Although the null hypothesis could not be rejected based on the chi-square calculations, the descriptive statistics again bear some results worthy of discussion. Only five of the 52 respondents, for instance, chose disagree or strongly disagree indicating that a largely positive view was held across all levels of institutional tenure within the response sample. This point coincides with the literature on the increased use of performance measurements among non-profit organizations. The growing attention placed on performance metrics within the non-profit sector (Moxham, 2009) may have permeated all levels of the professional spectrum in higher education development thereby influencing opinions positively towards the use of such tools. As with hypothesis 2, generational factors (Benson & Brown, 2011) may play a more significant role in opinions.

The significant p-value associated with this test suggests evidence of a significant relationship. The inability to reject the null hypothesis based on the presence of too many expected cells with values greater than five should not preclude further research towards this hypothesis.

*Hypothesis 4: There is no significant relationship between the presence of management responsibilities in a respondent's job description and that person's knowledge of the Balanced Scorecard.*

The p-value of .656 was insignificant in the original chi-square calculation, but 11 cells contained expected values of less than five, invalidating the chi-square calculation. The

independent variable categories that reflected management responsibilities were combined into two categories where 1 = 10 or fewer staff members and 2 = 11 or more staff members under management. The new chi-square calculations resulted in another insignificant p-value equaling .800 with four cells having expected values of less than five. The null hypothesis could not be rejected.

Descriptive statistics showed that only five of the 52 respondents indicated some familiarity with the Balanced Scorecard. Two others chose not to answer the question at all. The sample size was too small to make any inference as to how management responsibilities affected knowledge of the Balanced Scorecard. A better hypothesis might have involved what type of graduate degrees respondents possessed, if any, and how that graduate education might have affected knowledge of the Balanced Scorecard.

The Balanced Scorecard has only been applied to the non-profit world in a specific way since 2001, when Robert Kaplan made adjustments to the original corporate style scorecard (Kaplan, 2001). In the eleven years between that first work and the dissemination of this survey, the lack of literature on the Balanced Scorecard in higher education development would seem to indicate that it has not yet permeated that profession in a significant way. It is therefore understandable that so few respondents were familiar with the concept.

Although this test was deemed inconclusive because of the presence of too many expected frequency cells with values greater than five, the insignificant p-value did indicate that no statistically significant relationship existed. Future research utilizing a larger sample may provide more clear results.

*Hypothesis 5: There is no significant relationship between the size of an institution's student body and that institution's use of the Balanced Scorecard in the development office.*

The first iteration of the chi-square analysis for this hypothesis produced an insignificant p-value of .878. A total of eight cells had expected values of less than five, invalidating the chi-square test results. After combining the independent variable categories accounting for student body size into two distinct categories where 1 = 5,000 to 15,000 undergraduate students and 2 = 15,001 or more undergraduate students, a second chi-square test resulted in an insignificant p-value of .518. Two cells held values of less than five, and this chi-square test was invalidated as well.

Exploration of the crosstabulation chart reveals that no respondents chose "yes" in regards to the institution's use of the Balanced Scorecard. The majority of respondents (n=32) chose "no" while twenty (20) more chose either "I don't know" or did not answer the question at all.

Additionally, the qualitative data expressed in the next section of this chapter confirms that institutions are in a relatively new process of developing performance measurement systems. These systems are experimental, and while there are many models of measurement available (Rigby & Bilodeau, 2007), the use of metrics is not yet widespread enough to have embraced any formal model in great numbers.

Like hypotheses 2 and 4, the test results of this hypothesis could not be used to reject the null hypothesis because too many expected frequency cells contained values higher than five. The p-value of .878 does not suggest a significant relationship between the variables, but future research involving a larger sample size may provide different results.

### *Qualitative Component*

This section provides discussion about the research questions and corresponding themes and also draws conclusions based on the results provided in Chapter IV. Research questions and themes are listed together.

#### *Research Questions and Themes*

*Research question 1.) What types of metrics are most widely used in individual and institutional performance measurement and strategic planning in development at institutions of higher education?*

*Theme 1.) Performance evaluation and strategic planning systems are in a fluid state of construction, and the types of functions measured by those systems vary from one institution to the next.*

Many examples of the changing state of performance measurement in university development appeared within the interviews. One participant described his institution's program as in its "infancy." The performance measurements to which development officers are held accountable at the institution are driven in part by this fact. He said, "Some...development officers have very large goals this year for identifying and qualifying new prospects, but that's because they don't have that many current prospects to work with so one of their big objectives, and one of the main ways they'll use their time this year is to go find new prospects."

The executive leader whose institution did away with assigning specific dollar goals for development officers has been employed by the institution for over twenty years. During this time, the leader has developed a philosophy based on experience and the maturity of the development program. There are donors to this institution who are so comfortable in their

relationship with the university and the executive leader that only a phone call is necessary to secure a gift. “I don’t really have to go out and make face-to-face visits because they can do it over the phone because the relationships are so deep. Then if I called and said ‘I want to see you about *X*’, they’d say, ‘oh, what do you need?’”

Executive philosophy and maturity of the fundraising operation are therefore two important factors in the way in which performance metrics may be applied to higher education development offices. With so many measurement options available (Ribgy & Bilodeau, 2007) time and experimentation will likely begin to show which sets of measurements are best commonly applied among institutions.

All of the interview subjects reported that development officers for their institutions were required to make a specific number of face-to-face contacts with potential donors each month or over the course of a year. A specific goal for proposal submissions, that is, the official request of a monetary gift from a prospective donor, also was a consistent measurement among those interviewed. Two of the interview subjects were held accountable for a specific dollar figure.

The enthusiasm with which each participant discussed strategic planning and the importance of measureable goals was evident in the tone of each conversation. Despite some negative feedback about specific goals, or in some case, the lack of enough specific goals, every person interviewed believed that the existence of performance metrics made their work more quantifiable and clear. Clarity provides a feeling of empowerment for employees (De Geuser et al., 2009) and lessens job-related stress (Burney & Swanson, 2010).

Several interview subjects mentioned with frustration that they were sometimes held accountable for factors over which they had no control, such as the total number of donors

making gifts in a fiscal year, or the overall philanthropic dollar figure received by the institution. It could be theorized that assigning accountability measures for areas over which development staff have little or no real control is an effective way to assign quantitative measures to intangible work, which is a key set of drivers for organizational success (Niven, 2005).

Based on the qualitative data available in this study, there are few standard performance measurements currently in use in higher education development offices in the Southeastern United States. Individual meetings with donors was the predominant method of measurement indicating that it is the most trusted factor of producing successful results. The lack of standardization and the variety of measurements employed within the institutions studied suggests that the search for effective performance metrics and strategic planning tools is an ongoing and common issue within the development field.

*Research question 2.) What are the attitudes of development practitioners at institutions of higher education regarding the use of quantifiable metrics in measuring individual and institutional fundraising performance and strategic planning?*

*Theme 2.) Development professionals consider the application of quantifiable performance metrics to be a positive development in the field of higher education fundraising.*

Regardless of the person's position within his or her organization, every interview subject said that quantifiable performance metrics and strategic planning systems were good for higher education development. Some of the interview subjects with whom I spoke were involved deeply in the planning and implementation of the performance measurement and strategic planning systems used by their institutions. Those at the executive leadership level identified themselves



either as the primary architects of their current systems, or having implemented some changes to existing systems upon assuming their leadership duties.

Two executive leaders, whose institutions measure development officer performance in vastly different ways, agreed that the performance metrics implemented by their respective institutions drive the kind of activities in which they want their staffs engaged. Two middle management level professionals focused on their satisfaction with the quantifiable nature of new measures recently implemented at their respective institutions, which they feel more accurately defines and reflects their value to the institution. In all cases, the measurement systems in place within their institutions were either newly implemented or newly changed.

This feedback is consistent with the relative newness of performance measurement systems for non-profits as described by Kaplan (2001). It is reasonable that newly adopted systems must undergo change in order to be more useful.

Overall, it can be concluded that development professionals have generally high opinions about the concept of performance measurement practices. Those measurements thought to be effective and relevant provide stability, understanding, and a sense of accomplishment among members of the staff. Poor measurement systems, however, sparked at least moderate levels of discontent. The same was true when a staff member believed other members of his or her team were not performing up to a minimum standard of measurement. Development officers' opinions about performance measurements therefore are tied to the perceived effectiveness of the measurement systems in place within their institutions.

*Research question 3.) Is the Balanced Scorecard currently utilized as a tool for individual and institutional performance measurement and strategic planning in development at institutions of higher education?*

No particular theme addressed research question 3, because the unanimous response from survey and interview participants showed the Balanced Scorecard was not being implemented within higher education development offices in the study sample. This could be reason to conclude that the Balanced Scorecard is not a practical option for implementation in the field, however, when considered along with the fact that the Balanced Scorecard was almost entirely unheard of within the sample, a better conclusion might be that a lack of familiarity with the tool is to blame.

*Research question 4.) Is the Balanced Scorecard an applicable tool for individual and institutional performance measurement and strategic planning in development at institutions of higher education?*

*Theme 3.) Although development professionals tend to agree that measures are effective and helpful in strategic planning and performance evaluations, they don't always agree about which particular measures are appropriate.*

Interview participants cited a wide variety of measurement activities within their offices of development. The number of face-to-face visits completed by a development officer was measured consistently within the offices of all participants. Four participants said their institutions tracked the number of solicitations delivered by each development professional. Two participants had five or more measurement points within their respective measurement systems (although one of those institutions was preparing to abandon several tracking points).

The appropriateness of measuring the total amount of money raised by individual development officers sparked strong opinions. One university vice president explained why her institution had stopped measuring individual dollars raised; “We just found...that what would happen is that they would say ‘we raised the money, it doesn’t matter how many calls we made.’” The vice president continued, “If you do the visits, you meet the dollars, but you don’t necessarily have to meet the visits to get the dollars.” Another executive director explained that he was uncomfortable creating a specific dollar goal for his staff though quantifiable measurements were a significant component of his management process.

Others challenged the idea that dollar goals were inappropriate. One person interviewed stated that the measurements within her office were too easy to achieve and that some colleagues had underperformed for many years because of a lack of financial goals.

When it came to the Balanced Scorecard, the lack of knowledge among interview participants was not a surprise following the almost non-existent recognition of the tool among survey respondents. The infancy of the Balanced Scorecard in the non-profit sector is documented in the literature (Kaplan, 2001). The application of the scorecard to non-profits is, however, gaining attention and championed as relevant by some researchers (Speckbacher, 2003) and questionable by others (Bozzo, 2000). With seemingly no formal adoption of the Balanced Scorecard specifically to university development operations to this point, interview responses to its applicability were given in a theoretical framework.

Each interview participant was asked questions about the importance and usefulness of understanding fundraising from the three leading indicator perspectives of the Balanced Scorecard; customer service, internal business processes, and learning and growth. As Chapter

IV results indicated, a largely positive response was given. Customer service was largely related to the importance of institutional donors by those interviewed. These donors are critical stakeholders in the mission of non-profit organizations, but according to Kaplan (2001) the recipients of resources and services should be the most highly considered.

When prompted by questions about internal business processes and learning and growth, the recipients were able to identify some activities that could be classified within each. Data entry and management, donor research, and processing of gifts were examples given of internal business processes that are ongoing and important, but no respondents reported that these were being measured in a goal specific way. Retreats, conferences, and other forms of continuing education were commonly mentioned within the interview group, though these activities were likewise not measured formally.

Bozzo (2000) makes the case that the Balanced Scorecard is difficult to implement in the non-profit sector in part because those working within the sector have little understanding of and exposure to the interrelations between the perspective components as compared to their professional counterparts within the for-profit sector. The Balanced Scorecard may therefore be more easily integrated into the management system of university development offices as the pressure for more quantifiable measurements increases.

Speckbacher (2003) addresses the modern stakeholder view of organizations as one of “mutually specialized assets and people” where stakeholder groups make varying levels of investment into the firm. For example, a company worker may purchase a home near his employer after agreeing to an employment contract that ensures a specific initial salary. While no guarantee may exist for permanent employment, the worker nevertheless expects the corporation

to honor his commitment by providing certain benefits such as future wage increases and job security. This commitment becomes problematic as some stakeholders have a greater interest in decisions made by the firm and therefore decisions made within the organization are weighted more heavily in that stakeholder group's favor.

The interview participants in this study identified institutional donors as the primary stakeholders of the development operation. Defining the customer service perspective within higher education development this way invites the possibility of fundraising at the expense of other institutional stakeholders such as students, faculty and administrators. Lazerson (2010) discusses the controversies around investor activism and the importance of faculty tenure, academic freedom, and shared governance on college campuses.

For the customer service perspective of the Balanced Scorecard to accurately reflect the spirit of that defined by Kaplan (2001) a shift in thinking may first need to occur within the ranks of development professionals to include more than just those giving financially to the institution. Those who are in need of the financial assistance, in this case students, faculty researchers, and administrators, also will need to be considered.

### *Conclusion*

Kaplan and Norton (2001) suggest that the perspectives of the Balanced Scorecard are based on cause and effect relationships and that a hierarchy exists which places the financial perspective as most important, followed by the customer service perspective, then the internal business processes perspective, and finally the learning and growth perspective.

Kaplan (2001) also suggested that non-profit organizations have some flexibility in the hierarchy of the Balanced Scorecard due to the nature of their work. Some non-profits might

benefit from placing a higher level of importance on the customer service perspective than the financial perspective because impact is of greater necessity to the mission of a non-profit than financial gain.

The survey responses mirror the hierarchy for for-profit Balanced Scorecards suggested by Kaplan and Norton (1996). With the highest percentage of respondents, 40.4% , ranking the financial perspective as the most important, closely followed by 36.5% ranking the customer service perspective as most important, it is clear that the two perspectives are more highly valued than either the internal business processes perspective or the learning and growth perspective.

Likewise, the interview participants consistently identified each perspective as having an impact on development operations. Most respondents indicated that customer service was the most important aspect of fundraising work.

We can conclude from the quantitative information supplied by the survey data and the anecdotal information from the qualitative interviews that the hierarchy of the four perspectives within the traditional, for-profit Balanced Scorecard is applicable to the priorities of development officers in higher education.

Survey data does not, however, reflect the hierarchy presented in the non-profit Balanced Scorecard established by Kaplan (2001). Kaplan placed donors and service recipients as equally important customers within the non-profit sector. Respondents to the survey placed less importance on the service recipients in higher education, which are defined in this study as institutional administrators, faculty and students, than they did current and potential donors. This signals some incongruity between the opinions of development officers and the non-profit version of the Balanced Scorecard.

The Balanced Scorecard is designed, however, to be adaptable by nature (Kaplan & Norton, 1996). Its flexibility allows for a large variety of applications of measurements currently in place at the institutions interviewed. Financial, internal processes, and customer related items were all mentioned by at least one interview participant as important aspects of measurement. While none of those interviewed knew of a current measure associated with the learning and growth capacity of the organization, all of the respondents suggested that there could be a positive effect from creating measurement criteria in that regard.

The most controversial measure of performance seems to be the assignment of a specific dollar figure that each development officer is expected to secure. Interestingly, opinions on this subject were not consistently held based on leadership status or maturity of the fundraising program. The longest tenured executive leader interviewed for this study believes firmly that dollar figures should not be assigned because that particular measure is too easy to meet and can be met at the expense of long-term relationships between donors and the institution. On the other hand, an executive leader managing a relatively new development office believes that the next step for performance measurement at that particular institution may be to assign specific dollar amounts to development officers.

Is it significant that every interview participant agreed that the most important factor of measurement is the combination of personal visits and direct solicitation of monetary gifts. It signals that, regardless of opinions about how much money should be raised and over what period of time, the two basic objectives of development personnel are to deepen relationships between the institution and its supporters and to ask those supporters for monetary contributions. The interview feedback is inconsistent with the survey data, which suggested that the financial

perspective of measurement was the most important to consider. The percentage difference between the two selections in the survey was only 4.9%.

The weighting of importance given by interview participants coincides with the non-profit Balanced Scorecard model proposed by Kaplan (2001) in which the customer service/external stakeholders' perspective carries more importance than the financial perspective. If purposeful relationships and activities designed to move those relationships towards financial commitment are the bedrock of successful fundraising, as seemed to be indicated by the interview participants, then it holds true that the relationship itself is of higher value in the long term than the measurement of annual gift receipts. The complexity of the relationship between institution, development staff, and the donor pool may make the Balanced Scorecard more difficult to apply to non-profits than to for-profit entities (Kong, 2007), nevertheless, it is a model that takes into account most, if not all, of the areas deemed important for measure by survey respondents and interview participants.

Additionally, the survey portion of this study indicated a lack of emphasis on understanding and measuring relationships with stakeholders who directly benefit from funds being raised. These groups are the ultimate focus of any non-profit (Kaplan, 2001) and should be considered of the highest priority. This finding presents an opportunity for development and institutional leaders who may wish to place a greater level of emphasis on the opinions and needs of service recipients within the institution. Specific goals and performance measurements related to these internal constituents could be created for development officers, thereby putting both donors and service recipients on equal footing.



This study indicates a potentially positive application of the Balanced Scorecard in higher education development based on survey results that show emphasis on customer relationships and interviews indicating the variety of current metrics being utilized. As much as any other recognizable fact from this study is the obvious need for more research by the educational scholar community in the area of fundraising management, and the strong desire by development leaders and staff to find the right tools to maximize their effectiveness.

#### *Suggestions for Future Research*

Scholarly research on the application of any strategic planning and performance measurement tools in higher education fundraising is scarce at best. More studies should be conducted on the types of measurements currently in place to help determine which factors are most predictive of success. To conduct that research accurately, a long-term approach must be applied to better understand how life-long relationships and engagement of donors over a number of years affects giving rates and amounts over time.

Education scholars also would do well to create studies in which various other models of performance measurement, such as those listed in Rigby and Bilodeau (2007) are applied to higher education development offices and measured for successful application. Being in its infancy, the profession of development is subject to the pitfalls of poor management and missed opportunities. For instance, if applied incorrectly, the Balanced Scorecard can insert measures that are incongruent with the objectives of the institution, thereby creating more harm than good for the organization (Umashev & Willett, 2008).

The lack of a sufficient sample size for chi-square analysis suggests that more definitive answers might be obtained by expanding the sample to include a larger number of development professionals across a wider geographic region.

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## LIST OF APPENDICES

## APPENDIX I: SURVEY

*Survey*

- 1) How many years have you worked in the field of development including time spent as a paid staff member for any type of non-profit institution?
  - a. Less than one year
  - b. 1-5
  - c. 6-10
  - d. 11-20
  - e. 21 – more
  
- 2) How many years have you worked for your current institution in any capacity?
  - a. Less than one year
  - b. 1-5
  - c. 6-10
  - d. 11-20
  - e. 21 – more
  
- 3) How many years have you worked for your current institution as a development professional in any capacity?
  - a. Less than one year
  - b. 1-5
  - c. 6-10
  - d. 11-20
  - e. 21 – more
  
- 4) How many development officers (including annual giving, major gift, planned giving, and corporate/foundation personnel) does your office currently employ? Do not include medical school, hospital, or medical center fundraising staff.
  - a. 1-10
  - b. 11-20
  - c. 21-50
  - d. 51- more
  - e. I don't know
  
- 5) What is your professional title?
  - a. \_\_\_\_\_
  
- 6) Do you directly supervise any of the following personnel?

- a. Other managers
  - b. Front-line fundraisers
  - c. Support staff
  - d. All of the above
  - e. None of the above
  - f. All of the above
  - g. None of the above
  - h. A and B only
  - i. A and C only
  - j. B and C only
- 7) How many total staff members fall directly or indirectly under your supervision?
- a. 0
  - b. 1 – 5
  - c. 6 – 10
  - d. 11 – 20
  - e. 21 – more
- 8) What does your institution consider to be a “major gift?”
- a. Less than \$10,000
  - b. \$10,000 or more
  - c. \$25,000 or more
  - d. \$50,000 or more
  - e. \$100,000 or more
- 9) Rank the following items in terms of importance to a development officer’s success.
- a. Dollars raised over a 12 month period
  - b. Number of face-to-face visits completed over a 12 month period
  - c. Number of solicitations made over a 12 month period
  - d. Percentage of solicitations resulting in major gifts
  - e. Quality of the prospect portfolio (rated/evaluated prospects who are capable of giving major gifts)
  - f. Number of years working with current prospect pool
  - g. Knowledge of institutional (or area of coverage) mission
  - h. Connectivity of prospects to institutional staff other than the development officer
  - i. Discovery and qualification of new prospective donors
- 10) List the top five areas of measurement applied to development officer performance at your institution.
- j. \_\_\_\_\_
  - k. \_\_\_\_\_
  - l. \_\_\_\_\_
  - m. \_\_\_\_\_
  - n. \_\_\_\_\_

- 11) Performance measurements are part of regular meetings with my supervisor.
- Yes
  - No
- 12) My supervisor and I regularly discuss donor fundraising strategies.
- Yes
  - No
- 13) Performance metrics are part of my annual performance review.
- Yes
  - No
- 14) What percentage of annual salary increase, bonuses, or promotions are based upon performance metrics at your institution?
- 0%
  - Less than 25%
  - 25% to 50%
  - 50% to 75%
  - 100%
  - I don't know
- 15) Quantifiable metrics are an appropriate method of evaluating the performance of a development officer.
- Strongly agree
  - Agree
  - Neutral
  - Disagree
  - Strongly disagree
  - No opinion
- 16) The number of face-to-face visits completed by a development officer is an accurate predictor of fundraising success.
- Strongly agree
  - Agree
  - Neutral
  - Disagree
  - Strongly disagree
  - No opinion
- 17) The number of proposals submitted by a development officer is an accurate predictor of fundraising success.
- Strongly agree
  - Agree

- c. Neutral
  - d. Disagree
  - e. Strongly disagree
  - f. No opinion
- 18) Dollars raised (the total amount of money raised in a given year by a development officer) is an accurate predictor of fundraising success.
- a. Strongly agree
  - b. Agree
  - c. Neutral
  - d. Disagree
  - e. Strongly disagree
  - f. No opinion
- 19) Development officers should be evaluated on metrics based on 12 months of activity.
- a. Strongly agree
  - b. Agree
  - c. Neutral
  - d. Disagree
  - e. Strongly disagree
  - f. No opinion
- 20) Development officers should be evaluated on performance based on two or more years of activity.
- a. Strongly agree
  - b. Agree
  - c. Neutral
  - d. Disagree
  - e. Strongly disagree
  - f. No opinion
- 21) Development officers should be evaluated on the performance of the entire development staff.
- a. Strongly agree
  - b. Agree
  - c. Neutral
  - d. Disagree
  - e. Strongly disagree
  - f. No opinion
- 22) Does your institution utilize a Balanced Scorecard in its strategic planning or performance measurement for development officers?
- a. Yes

- b. No
  - c. I don't know
- 23) Are you personally familiar with the Balanced Scorecard concept?
- a. Yes
  - b. No
- 24) Rank the following perspectives in terms of most to least important in evaluating the performance of a development operation.
- a. Financial outcomes
  - b. Internal business processes
  - c. Innovation and employee development
  - d. Customer service
- 25) It is important to view the fundraising process through the perspective of external stakeholders such as donors, alumni, faculty, students, board members, local community, etc.
- a. Strongly agree
  - b. Agree
  - c. Neutral
  - d. Disagree
  - e. Strongly disagree
  - f. No opinion
- 26) It is important to view the fundraising process through the perspective of financial outcomes.
- a. Strongly agree
  - b. Agree
  - c. Neutral
  - d. Disagree
  - e. Strongly disagree
  - f. No opinion
- 27) It is important to view the fundraising process through the perspective of internal business processes such as strategy development, prospect management, research, stewardship, communication, etc.
- a. Strongly agree
  - b. Agree
  - c. Neutral
  - d. Disagree
  - e. Strongly disagree
  - f. No opinion

- 28) It is important to view the fundraising process through the perspective of employee innovation and professional development.
- Strongly agree
  - Agree
  - Neutral
  - Disagree
  - Strongly disagree
  - No opinion
- 29) Rank the following perspectives in order of importance.
- Financial outcomes
  - External stakeholders
  - Internal business processes
  - Employee innovation and professional development
- 30) Rank the following “stakeholders” in terms of importance to development
- Donors
  - Non-giving alumni and other potential prospects
  - Institutional administrators
  - Faculty
  - Staff
  - Students
- 31) Rank the following items in terms of importance to the internal business processes of a development operation
- Prospect management
  - “Moves” management
  - Development of solicitation strategies
  - Gift processing
  - Stewardship (Thank you notes, endowment reports, etc.)
- 32) Rank the following in terms of importance to encouraging innovation and employee development
- Conferences
  - Prospect review/strategy sessions
  - Engagement of outside consultants
  - Internal mentoring programs
  - Pursuit of graduate degrees by staff members
- 33) Rank the following in terms of importance in measuring financial outcomes
- New money (Excluding pledge payments; including cash, securities, property, etc. that is receipted as a current year gift)



- b. Total giving (Including pledge payments)
- c. Documented bequests (that are due to occur in the future)
- d. Total number of gifts

34) My area or responsibility is best described as:

- a. Annual giving
- b. Major gifts
- c. Planning giving
- d. Corporate or foundation relations
- e. Alumni relations
- f. Communications
- g. Leadership/management
- h. Other

35) Please choose one of the following:

- a. The researcher may contact me for a brief follow up interview
- b. I do not wish to be contacted by the researcher for a brief follow up interview

## APPENDIX II: INTERVIEW GUIDE

## *Interview Guide*

### *Demographic Information*

1. What is your professional title?
2. How many years have you been with your current institution?
3. How many years have you worked in development?
4. Do you supervise any development officers who are responsible for face-to-face fundraising?

### *Research Question #1: Types of quantifiable metrics used*

5. Does your institution utilize performance metrics in strategic planning and/or performance measurement?
6. What are those metrics?
7. How were those metrics created?
8. What rewards and consequences are associated with performance measurement at your institution? What should be?
9. Are the performance measurement system and the strategic planning processes linked in any way?

### *Research Question #2: Attitudes towards quantifiable metrics*

10. What is the most effective way to create valid metrics and performance management systems?

11. Which metrics do you feel are the most important predictors of fundraising success?
12. What can we measure to ensure the highest level of achievement by development professionals?
13. What are the strengths of your institution's performance measurement system?
14. What are the weaknesses of your institution's performance measurement system?
15. Do the performance metrics utilized by your institution reflect the real work being done by front line fundraising staff?
16. Do the performance metrics utilized by your institution drive the most important tasks for fundraising?

*Research Question #3: Current use of the Balanced Scorecard*

17. Are you familiar with the Balanced Scorecard?
18. Does your institution utilize the Balanced Scorecard?

*Research Question #4: Applicability of the Balanced Scorecard*

19. Does your institution measure financial outcomes? If so, how? Do you believe this is important and useful?
20. Does your institution measure the efficiency and effectiveness of internal processes and procedures? If so, how? Do you believe this is important and useful?
21. Does your institution measure the learning, growth and improvement of the organization and its staff? If so, how? Do you believe this is important and useful?
22. Does your institution measure its value in terms of stakeholder perspective? If so, how? Do you believe this is important and useful?
23. Who are the most important stakeholders in the development process?

24. Does leadership successfully convey its vision, goals and expectations?
25. Does the performance measurement system integrate with the vision, goals and expectations of the leadership?

## APPENDIX III: EMAIL TEMPLATES

## *Email Templates*

### **Email 1 – Introduction and Request for Participation**

Dear Development Professional,

I am writing to ask for your participation in a doctoral survey concerning performance measurements in institutional development. The survey should take between 15 and 30 minutes to complete, and your responses will be confidential.

The survey will ask questions about your attitudes towards various performance measurements, the types of performance measurements utilized by your institution, and your understanding of the Balanced Scorecard system of performance measurement and strategic planning.

To begin the survey, please click on the hyperlink below.

[www.kwiksurveys.com](http://www.kwiksurveys.com)

Thank you for your participation.

Sincerely,

Perry Moulds  
Doctoral Candidate  
University of Mississippi  
School of Education  
Department of Leadership and Counselor Education

### **Email 2 – First Follow Up**

Dear Development Professional,

I am writing to once again request your participation in a doctoral survey concerning performance measurements in institutional development. The survey should take between 15 and 30 minutes to complete, and your responses will be confidential.

The survey will ask questions about your attitudes towards various performance measurements, the types of performance measurements utilized by your institution, and your understanding of the Balanced Scorecard system of performance measurement and strategic planning.

To begin the survey, please click on the hyperlink below.

[www.kwiksurveys.com](http://www.kwiksurveys.com)

Thank you for your participation.

Sincerely,

Perry Moulds  
Doctoral Candidate  
University of Mississippi  
School of Education  
Department of Leadership and Counselor Education

**Email 3 – Second Follow Up and Closeout**

Dear Development Professional,

I know that your time is both valuable and limited. That is why this is the last message you will receive requesting your participation in a doctoral survey concerning performance measurements in institutional development.

The survey should take between 15 and 30 minutes to complete. The results of this study will help to inform development professionals and leaders about the various methods of performance measurement and goal setting currently in use in the development profession. It may also help to establish new methods of measurement and strategic planning that lead to more productive, more efficient, and more effective operations.

Please visit the link below to take part in this study.

[www.kwiksurveys.com](http://www.kwiksurveys.com)

Sincerely,

Perry Moulds  
Doctoral Candidate  
University of Mississippi  
School of Education  
Department of Leadership and Counselor Education



APPENDIX IV: CONSENT FORM

### *Consent Form*

You are invited to participate in a research study conducted by Perry Moulds from the University of Mississippi. I hope to learn about the performance measurement and strategic planning tools used by your development operation, your opinion of these tools, your knowledge of the Balanced Scorecard, and your opinion as to the applicability of the Balanced Scorecard to the field of development. You were selected as a possible participant in this study because of your professional experience, your current position within your institution, and your participation in the original survey conducted for this study.

If you decide to participate, I will conduct a one-time interview with you covering the topics listed above. The interview will be tape recorded, and handwritten notes will be taken.

Your participation in this study will help to grow the body of knowledge about performance measurement and strategic planning in higher education development and to possibly establish new methods of conducting these two processes. However, I cannot guarantee that you personally will receive any benefits from this research. No compensation will be offered for your participation.

Any information that is obtained in connection with this study and that can be identified with you will remain confidential and will be disclosed only with your permission or as required by law. Subject identities will be kept confidential by identifying your responses only by your level of seniority within your institution and the type of institution for which you work.

Your participation is voluntary. Your decision whether or not to participate will not affect your relationship with the University of Mississippi in any way. If you decide to participate, you are free to withdraw your consent and discontinue participation at any time without penalty.

If you have any questions about the study, please feel free to contact Perry Moulds at 615-306-0260 or by email at [pmoulds@olemiss.edu](mailto:pmoulds@olemiss.edu). You may also contact Dr. Lori Wolff at 662-915-5791 or by email at [lawolff@olemiss.edu](mailto:lawolff@olemiss.edu). If you have questions regarding your rights as a research subject, please contact the IRB ([IRB@research.olemiss.edu](mailto:IRB@research.olemiss.edu)).

Your signature indicates that you have read and understand the information provided above, that you willingly agree to participate, that you may withdraw your consent at any time and discontinue participation without penalty, that you will receive a copy of this form, and that you are not waiving any legal claims.

Signature

Date

## VITA

Clifton Perry Moulds was born in Gulfport, Mississippi, in January 1977. After graduating from Harrison Central High School in 1995, he enrolled at the University of Mississippi where he completed a Bachelor of Arts degree in Journalism with a minor in Public Relations in 1999. After graduation, he began his professional life working for Sigma Phi Epsilon Fraternity headquarters before returning to the University of Mississippi in 2000 to pursue a Master of Arts in Higher Education Administration, which he completed in 2003. In 2000, he also began his career in university development holding various fundraising and administrative roles at the University of Mississippi until 2008. Since that time, he has held fundraising positions with Vanderbilt University Medical Center and the Vanderbilt-Ingram Cancer Center in Nashville, Tennessee.

