

*Survey to Better Understand the Performance Measurement Dimensions for  
Australasian Nonprofit Healthcare Organisations*

*Data Summary Report*

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## To our valuable participants

We wish to thank the case study and survey participants, for participating in the project, which led to completion of the principal author's doctoral research project. The project looked at developing a performance measurement system for healthcare nonprofit organisations in New Zealand and Australia. The data you have provided have been an integral part of the project.

This report is provided to you in appreciation of the support you have extended towards making the project a success. The report provides findings of the study in an easy to digest fashion. Therefore details of technical research and analysis nature are not included in the report. Further information on the findings and/or clarification on any information provided in this report can be requested from the *principal author*.

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## Executive Summary

- This report has been especially prepared for those who responded to our survey, which was designed to test the performance measurement system that we developed for Australasian healthcare nonprofit organisations (NPOs).
- The performance measurement (PM) system itself was developed through extensive case studies involving nine Australasian NPOs (six from New Zealand and three from Australia). Figure 1 shows our PM Framework.
- The report provides key findings from a survey recently conducted by us to test the PM framework that we developed through case studies (some details of the case studies have been described). Our performance framework was found to be reliably generalisable across Australasian NPOs in the healthcare sector. The framework is therefore useful for performance monitoring and improvement of *healthcare* NPOs in the region. An online questionnaire was used to collect the data from senior managers belonging to healthcare NPOs across Australia and New Zealand.
- Out of the 1550 senior managers invited to participate in the survey, 232 responded, resulting in a response rate of 15%, which is considered satisfactory for this type of a survey.
- We found that the most survey participants were familiar with PM systems.
- The study validated the nine PM domains (categories) in our framework, namely Mission; Strategy; Organisational Infrastructure; People; Financial Health; Process; Client Satisfaction; People Satisfaction and Donor Satisfaction.
- The survey showed that out of the 41 survey questions (items) allotted to the nine PM domains, five are incompatible with the PM framework (they do not relate to any of the nine PM dimensions of our model); these have been removed from the final analysis.
- We found that out of the 36 valid survey items considered, organisations performed *exceptionally well* in 6 items (Q3, Q5, Q20, Q1, Q17 and Q27), *reasonably well* in 27 items, and *moderately well* in 3 items (Q34, Q7, and Q41); see Table 2 for definitions as well as results.
- The study confirmed that the organisation has to be driven by their directors and the senior leadership in order to achieve better performance. This includes understanding and developing the people within the organisation.

- 
- We found that the processes put in place by the organisations to achieve stakeholder satisfaction can be divided into three types: continuous improvement; designing of safe, efficient and effective processes; and designing of the infrastructure, technology and material to create the necessary support processes.
  - We found that the three key stakeholders of NPOs — clients (or customers), employees, and donors — carry approximately equal weight in achieving the mission. Each of these stakeholder groups has their own set of expectations and these expectations belong to three themes: delivering high quality services and support to the community; valuing skilled workers and recognising people (volunteers included); and commitment to social responsibility.
  - The complementary Microsoft Excel spreadsheet that we have provided helps organisations to conduct self-assessments on organisational performance. This in turn helps an organisation to identify: (a) best practices for process improvements, (b) trends in performance management practices, benchmark practices and (c) relationships between performance and stakeholders and organisational performance.

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## List of Acronyms

NPOs Nonprofit Organisations

PM Performance Measurement

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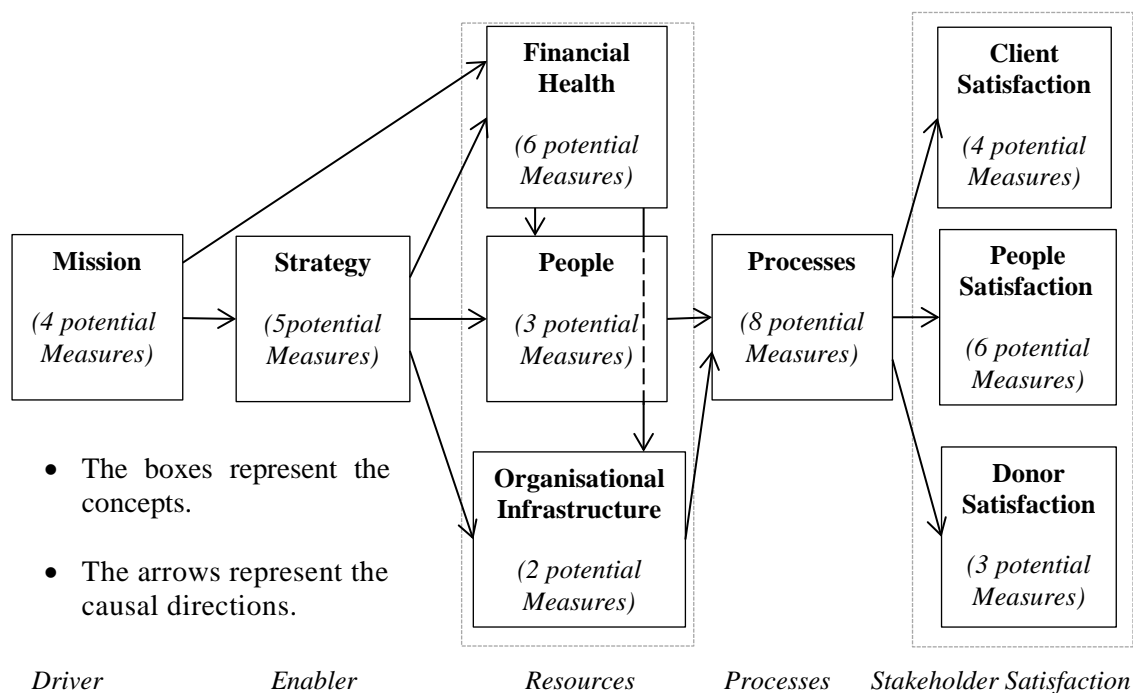
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## Survey to Better Understand the Performance Measurement Dimensions for Australasian Nonprofit Healthcare Organisations

### 1. Background

A survey questionnaire (see Appendix - A) was designed as a part of the principal author's doctoral (PhD) study, to collect data to validate the performance measurement (PM) framework (Figure 1) that was developed by them through case studies. Six New Zealand and three Australian nonprofit healthcare organisations were involved in the detailed case studies. The PM framework, particularly the measures that define the nine concepts that constitute it, is specifically intended for nonprofit organisations (NPOs) in the Australasian healthcare sector. Each survey questionnaire item in part two of the questionnaire was developed to mirror each potential measure under each concept belonging the PM framework (see the nine boxes in Figure 1).



*The framework indicates that mission drives the strategy to improve the financial health, the human capital and information capital, to enable the processes to deliver stakeholder satisfaction.*

**Figure 1:** The PM framework developed from case studies (Source: Soysa, Jayamaha, Grigg, 2016, pp.954-973)

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The data for this report were collected via a web based survey. As many as 1,550 directors and senior executives from Australia and New Zealand were invited to participate. Of these, 232 responded, resulting in a response rate of approximately 15%, which is considered satisfactory for this type of survey. The data that were collected from the questionnaire were aggregated at questionnaire item level to guarantee the anonymity of individual respondents and their organisations. The research was conducted in accordance with Massey University Human Ethics guidelines on low risk research.

## **2. Aim of the Study**

The aim of this survey was to develop and test a performance measurement framework that can be easily adopted by NPOs in the healthcare sector, given their missions, strategic goals, and objectives.

## **3. Methodology**

The survey questionnaire was peer reviewed and pilot tested prior to its full scale administration. The questionnaire consisted of two parts: Part one was designed to collect the contextual information relevant to the survey participants and their organisation; part two was designed to measure the strength of organisational performance against the nine PM dimensions in the framework. The latter was accomplished by seeking level of agreement for 41 statements; each statement uses a seven-point psychometric scale (Appendix-A). The seven points in the scale correspond to the following agreement levels: strongly disagree (=1), disagree (=2), somewhat disagree (=3), neither disagree nor agree (=4), somewhat agree (=5), agree (= 6), and strongly agree (=7). Out of the 41 statements, four relate to the Mission, five to Strategy, two to Organisational Infrastructure, three to People, six to Financial Health, eight to Processes, four to Client Satisfaction, six to People Satisfaction and three to Donor Satisfaction (Figure 1). The survey items (statements) in the questionnaire were presented in a *randomised* fashion to minimise bias. The survey was live from 11 November 2014 through to 14 February 2015 and then again from 26 August 2015 through to 07 September 2015. For the purpose of this report, the 1 to 7 scale used in the survey instrument was converted to a 0-100 scale in computing the scores pertaining to each organisation for each survey item.<sup>1</sup>

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<sup>1</sup> Apportioning was as follows. A 1 (strongly disagree) means 0.0%, a 2 (disagree) means 16.7%, a 3 means 33.3%, a 4 means 50.0%, a 5 means 66.7%, a 6 (agree) means 83.3% and a 7 (strongly agree) means 100.0%.



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#### 4. Key Findings

- Data analysis<sup>2</sup> provided strong statistical evidence in support of the framework. Thus we maintain that the strategic performance of Australasian nonprofit healthcare organisations, for the purpose of performance monitoring, can be represented using nine dimensions: 1. Mission; 2. Strategy; 3. Organisational Infrastructure; 4. People; 5. Financial Health; 6. Process; 7. Client Satisfaction; 8. People Satisfaction; and 9. Donor Satisfaction.
- The case studies validated that the organisation's Mission is the heart of the NPOs since they are *mission driven* organisations; the mission emphasises the primary *raison d'être* for a NPO.
- The case studies also confirmed that a NPO has to be driven by its directors and senior leadership for better performance; understanding and developing people was found to be a major requirement of NPOs.
- The case studies and the statistical analysis confirmed that healthcare NPOs in the region are associated with multiple streams of cash inflows (e.g. donations, grants, and monies collected from specific fund raising initiatives) and cash outflows (e.g. investment in employee development and cost control).
- The statistical analysis confirmed that the processes put in place by the organisations to achieve stakeholder satisfaction can be divided into three types: 1. continuous improvement activities, 2. designing of safe, efficient and effective processes, and 3. designing the infrastructure, technology and material to create the necessary support processes to achieve stakeholder satisfaction.
- The statistical analysis confirmed that there are three major types of stakeholders in nonprofit healthcare organisations: clients (or customers), employees, and donors. Each of these stakeholders were found to have their own set of expectations and these expectations were found to belong to three themes: delivering high quality services and support to the community, valuing skilled workers and recognising people (volunteers included), and commitment to social responsibility.

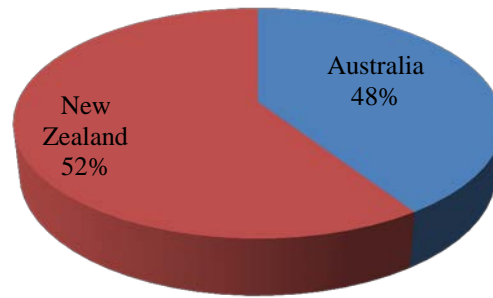
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<sup>2</sup> Structural Equation Modelling was the statistical technique used to test the model.

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## Country Representation

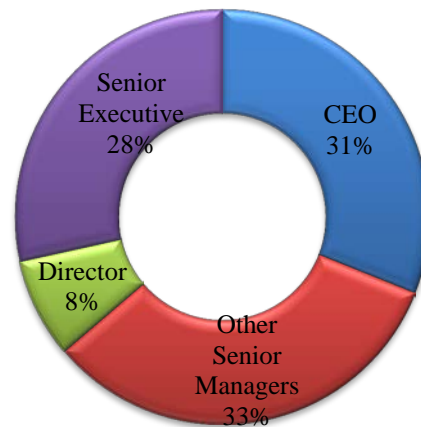
Both Australia and New Zealand were approximately equally represented in the survey (Figure 2).



**Figure 2:** Survey representation by country

## The Profile of the Survey Participants

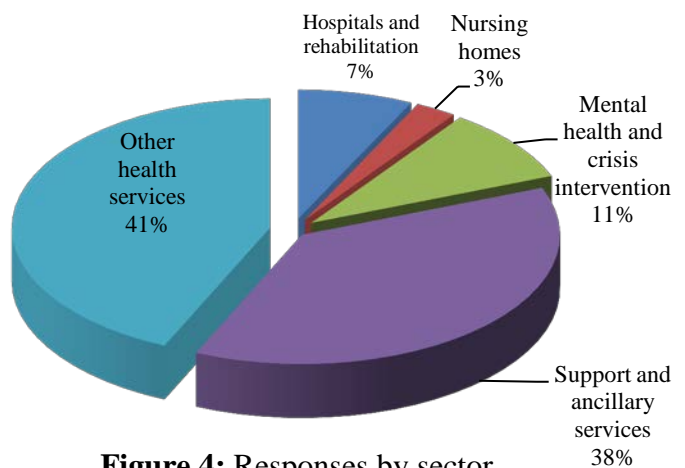
Unsurprisingly, Figure 3 shows that all participants were senior managers of nonprofit organisations (only senior managers were invited to participate in the survey).



**Figure 3:** Participants' by designation

## Sector Representation

The international classification of NPOs as defined by Salamon and Anheier (1997) was used to classify the organisations of the survey participants. Some of the organisations in our survey used their own categorisation, based on the services that they provide. This resulted in quite a number of organisations (41%) declaring themselves as organisations providing “other health services”, a category that outnumbered the remaining categories.



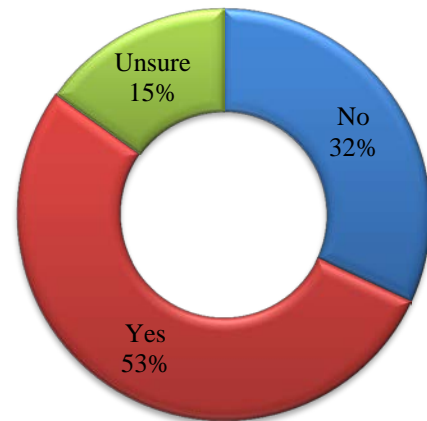
**Figure 4:** Responses by sector

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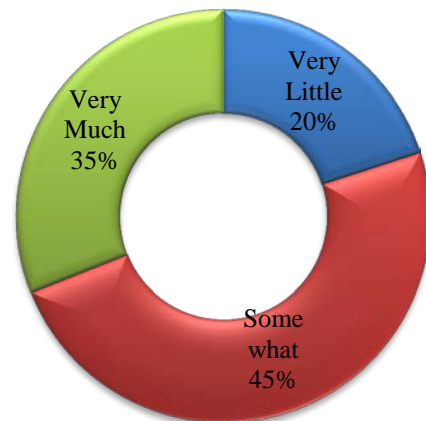
## Participants' Familiarity with PM Systems

Figure 5 shows that more than half of the respondents (53%) have been using some kind of a PM system (an in-house one or an established one such as the BSC) or the other to gauge their organisational performance.

Figure 6 indicates that most of the respondents (80%) have been familiar with PM systems on organisations. We assumed that familiarity with PM systems is not a prerequisite to qualify as participants in the survey because this study does not require specific knowledge (on the part of the respondents) on any PM system. Apart from confirming the validity of the PM system developed by the principal researcher, the study measures the extent of good governance of a given NPO; this should benefit the senior managers of NPOs.



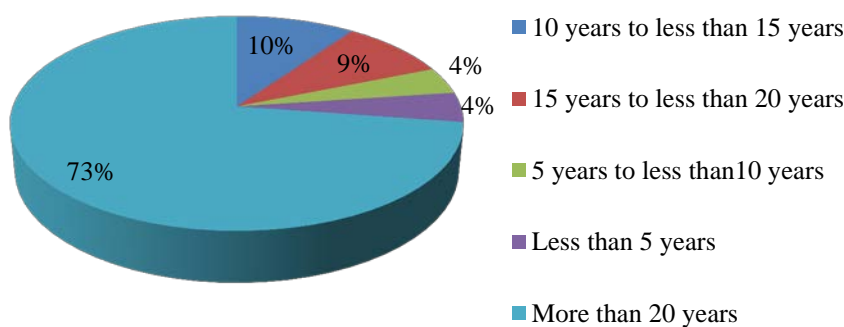
**Figure 5:** Use of PM Systems



**Figure 6:** Participants' familiarity with PM Systems

## Organisational Establishment

Figure 7 clearly shows that the most of the organisations (73%) have been serving their clients for more than 20 years, suggesting that most respondents in the survey represented mature organisations.



**Figure 7:** Maturity of the organisation

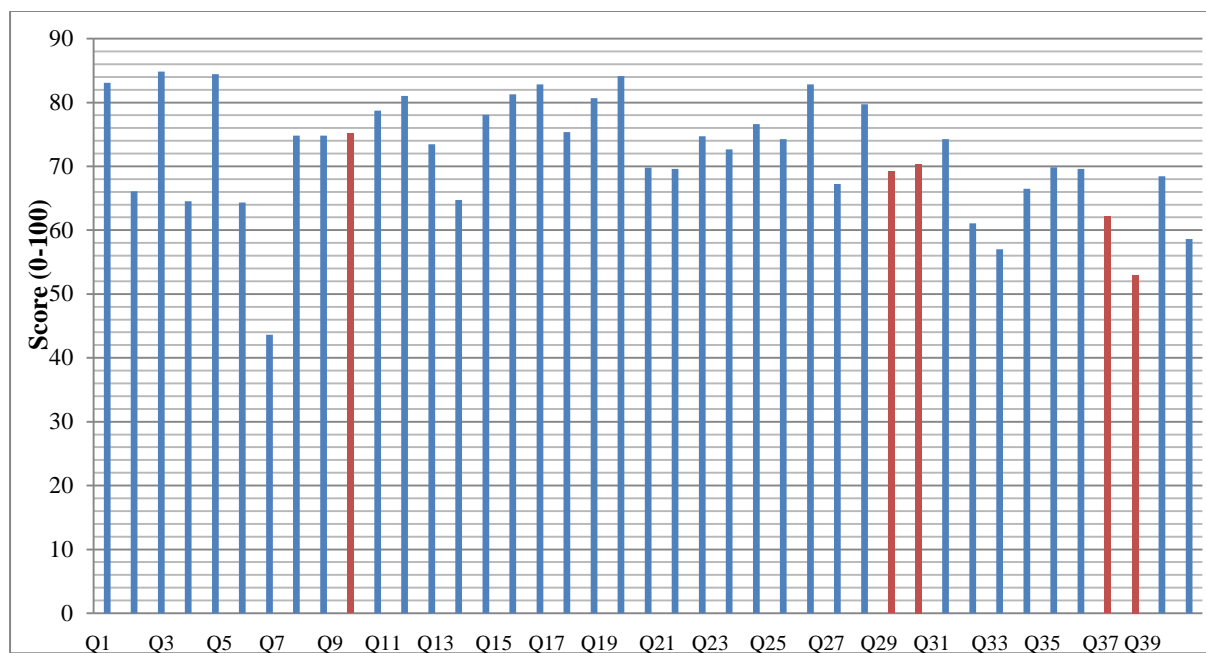
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## The Analysis of Survey Items

Figure 8 shows the mean (average) scores of survey items in the chronological order. These have been calculated from the 223 responses available. Five survey items have been colour coded in red to highlight the items that were not supported by the data. The scope (in brief) of each of the five items that were not supported by data is as follows:

- Q10      Continual process improvement for better outcomes for the clients
- Q 30      Staff training to maintain a high performance work culture
- Q 31      Infrastructure/technology being developed to improve service quality
- Q38      Staff workshops on strategic and business plans
- Q 39      Operating plans are traced back to each employee

The mean score of each of the survey items (except Q7) is above 50 (out of the maximum possible score of 100 for each item). This suggests that, on average, organisations in the survey have been performing reasonably well in all measurement areas (in the opinion of the participants).



**Figure 8:** Mean scores of survey items in the chronological order

Table 1 depicts the summary description of the survey items while the table 2 depicts the measures of central tendency (mean and median) and the dispersion (standard deviation) of each item. In table 2, the survey items have been colour coded: red indicates highly scored items while blue indicates weakly scored items. The highly scored items (> 82%) are areas

of strength for the 232 organisations surveyed (as a whole) while the lowest scoring items are areas that need most improvement (on average). Needless to say, each organisation will have its own strengths and weaknesses (this is covered later). We encourage each organisation to conduct its own self-assessment to identify its own areas for improvement.

**Table 1:** Summary Description of the Questionnaire Items

| <b>Survey Item</b> | <b>Content Summary</b>   |
|--------------------|--|
|                    | <b>Mission and Core Values</b>   |
| Q1                 | Supporting and providing community and social services                         |
| Q5                 | Endeavouring to improve the quality of living of the community served          |
| Q 9                | Service leadership   |
| Q 13               | Staff development  |
|                    | <b>Strategy</b>  |
| Q 16               | Stakeholder requirements being incorporated in strategy planning               |
| Q 17               | Leadership involvement in strategy planning                                    |
| Q 23               | Stakeholder feedback being incorporated in rolling plans                       |
| Q 36               | Performance measurement being an input to strategic planning                   |
| Q 42               | Key processes are identified in strategy implementation                        |
| Q 18               | Org structure & resources are considered in strategy implementation            |
| Q 39               | Operating plans are traced back to each employee                               |
|                    | <b>Organisational Capabilities &amp; People and Infrastructure Development</b> |
| Q 29               | Leadership ability being an organisational strength                            |
| Q 19               | Outcome oriented decision making   |
| Q 30               | Staff training to maintain a high performance work culture                     |
| Q 34               | Fully integrated communication infrastructure                                  |
| Q 20               | Brand awareness/public awareness   |
|                    | <b>Financial Health</b>  |
| Q 35               | Investment in employees  |
| Q 2                | Investment in physical infrastructure and IT                                   |
| Q 15               | Cost awareness and cost control  |
| Q 3                | Donor/Sponsor/Contractor/Funder relationships to leverage funding              |
| Q 12               | Regular information and feedback to the key stakeholders                       |
| Q 4                | Fund raising projects  |
| Q 14               | Continuous innovation to create new revenue streams                            |
|                    | <b>Processes</b>   |
| Q 40               | Continual process improvement for better outcomes for the funders              |
| Q 10               | Continual process improvement for better outcomes for the clients              |
| Q 24               | Partnering and collaboration for social responsibility                         |
| Q 37               | Key support processes being designed to support key processes                  |

|      |  |
|------|--|
| Q 25 | Service delivery processes being developed to satisfy stakeholders'      |
| Q 31 | Infrastructure/technology being developed to improve service quality     |
|      | <b>Stakeholder Satisfaction</b>  |
| Q 26 | Quality-of-service auditing  |
| Q 6  | Endeavouring to measure clients' quality of life (QoL)                   |
| Q 8  | Service reviews to collect client feedback                               |
| Q 21 | Fair remuneration for paid work  |
| Q 28 | Investment in employees  |
| Q 41 | Volunteer development  |
| Q 32 | Client satisfaction measurement  |
| Q 33 | Employee satisfaction measurement  |
| Q 7  | Employee recognition   |
| Q 38 | Staff workshops on strategic and business plans                          |
| Q 27 | Processes being designed to take target groups' needs into consideration |
| Q 22 | Development and implementation of new service models                     |
| Q11  | Inter organisational collaboration in fulfilling social responsibility   |

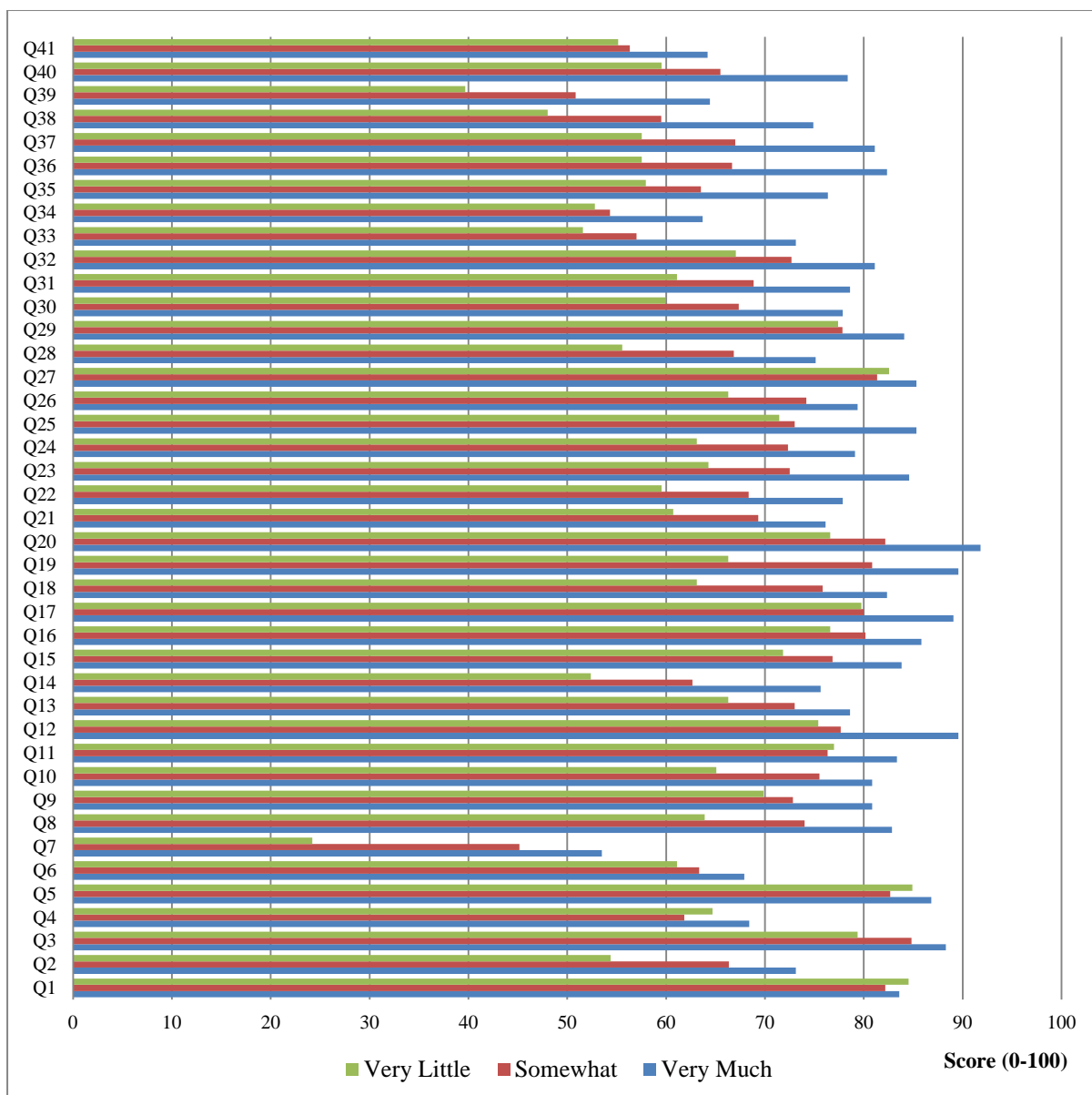
**Table 2:** Measures of Central Tendency and the Dispersion

| Item Number | Mean  | Median | Standard Deviation | Max    | Min   |
|-------------|-------|--------|--------------------|--------|-------|
| Q3          | 84.85 | 83.33  | 1.13               | 100.00 | 0.00  |
| Q5          | 84.45 | 100.00 | 5.77               | 100.00 | 0.00  |
| Q20         | 84.13 | 83.33  | 5.61               | 100.00 | 0.00  |
| Q1          | 83.09 | 83.33  | 3.71               | 100.00 | 0.00  |
| Q17         | 82.85 | 83.33  | 6.50               | 100.00 | 0.00  |
| Q27         | 82.85 | 83.33  | 0.93               | 100.00 | 0.00  |
| Q16         | 81.26 | 83.33  | 3.77               | 100.00 | 0.00  |
| Q12         | 81.02 | 83.33  | 4.17               | 100.00 | 0.00  |
| Q19         | 80.70 | 83.33  | 5.13               | 100.00 | 0.00  |
| Q29         | 79.74 | 83.33  | 5.66               | 100.00 | 0.00  |
| Q11         | 78.71 | 83.33  | 2.39               | 100.00 | 16.67 |
| Q15         | 78.07 | 83.33  | 6.31               | 100.00 | 0.00  |
| Q25         | 76.63 | 83.33  | 6.57               | 100.00 | 0.00  |
| Q18         | 75.36 | 83.33  | 5.14               | 100.00 | 0.00  |
| Q10         | 75.12 | 83.33  | 6.85               | 100.00 | 0.00  |
| Q8          | 74.80 | 83.33  | 8.87               | 100.00 | 0.00  |
| Q9          | 74.80 | 83.33  | 5.14               | 100.00 | 16.67 |
| Q23         | 74.72 | 83.33  | 7.08               | 100.00 | 0.00  |
| Q26         | 74.24 | 83.33  | 9.68               | 100.00 | 0.00  |
| Q32         | 74.24 | 83.33  | 7.62               | 100.00 | 0.00  |
| Q13         | 73.44 | 83.33  | 7.14               | 100.00 | 0.00  |
| Q24         | 72.65 | 83.33  | 4.64               | 100.00 | 0.00  |
| Q31         | 70.41 | 66.67  | 6.57               | 100.00 | 0.00  |
| Q36         | 69.86 | 83.33  | 8.61               | 100.00 | 0.00  |

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|     |       |       |       |        |      |
|-----|-------|-------|-------|--------|------|
| Q21 | 69.78 | 83.33 | 9.83  | 100.00 | 0.00 |
| Q22 | 69.62 | 66.67 | 7.20  | 100.00 | 0.00 |
| Q37 | 69.62 | 83.33 | 10.05 | 100.00 | 0.00 |
| Q30 | 69.22 | 66.67 | 9.25  | 100.00 | 0.00 |
| Q40 | 68.42 | 66.67 | 8.38  | 100.00 | 0.00 |
| Q28 | 67.22 | 66.67 | 9.76  | 100.00 | 0.00 |
| Q35 | 66.51 | 66.67 | 7.52  | 100.00 | 0.00 |
| Q2  | 66.11 | 66.67 | 10.85 | 100.00 | 0.00 |
| Q14 | 64.75 | 66.67 | 9.82  | 100.00 | 0.00 |
| Q4  | 64.51 | 83.33 | 18.18 | 100.00 | 0.00 |
| Q6  | 64.35 | 66.67 | 12.91 | 100.00 | 0.00 |
| Q38 | 62.12 | 66.67 | 12.33 | 100.00 | 0.00 |
| Q33 | 61.08 | 66.67 | 12.94 | 100.00 | 0.00 |
| Q41 | 58.61 | 66.67 | 13.21 | 100.00 | 0.00 |
| Q34 | 57.02 | 66.67 | 12.95 | 100.00 | 0.00 |
| Q39 | 52.95 | 50.00 | 14.05 | 100.00 | 0.00 |
| Q7  | 43.62 | 50.00 | 14.59 | 100.00 | 0.00 |

Figure 9 depicts the mean scores of the items based on the participants' familiarity with the PM systems. The item scores for participants who rated themselves as "Very Much familiar with PM systems" are shown in blue colour, "Somewhat..." in red colour and "Very Little..." in green colour. Figure 9 indicates that, in general, the mean scores are higher for the "Very Much..." category relative to "Somewhat..." category, which in turn is higher than the "Very Little..." category. This implies that more the organisations that are familiar with the PM systems, the more they tend to perform better in all assessment areas of PM.

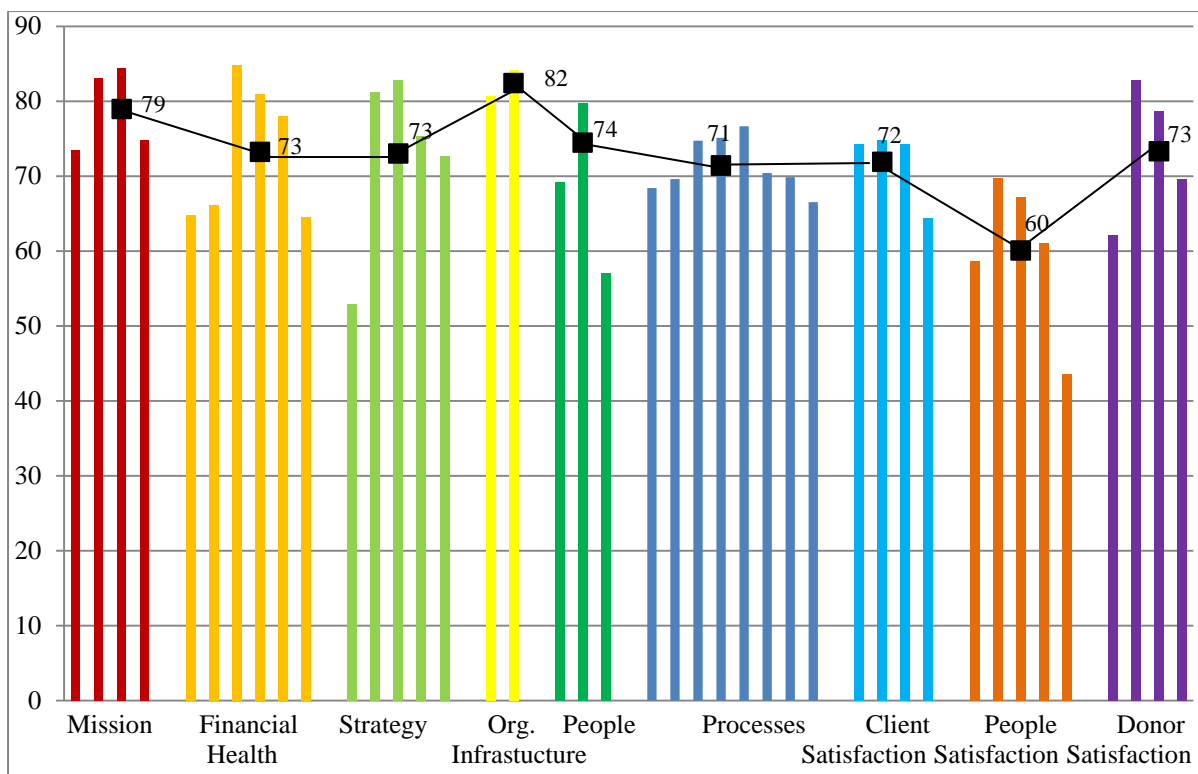


**Figure 9:** Mean scores of survey items based on the participants' familiarity of PM systems

### Aggregation of Measurement Item Scores to Analyse the Data at PM Dimension (Category) Level

Figure 10 depicts scores (0-100 scale) aggregated at PM category level. The questionnaire items have been colour coded to highlight the performance dimensions to which each survey item belongs. The figure clearly indicates that people satisfaction score is significantly less, compared to the scores of the remaining eight categories. Why this is so remains an important question for further investigation.





**Figure 10:** Mean scores of survey items based aggregated at PM dimension level

## 5. Advice on How an Organisation Could Use the Findings in this Report to Improve their Performance

The survey instrument that we have developed can be used by organisations to self-assess their performance in order to identify areas for improvement. One of the most important aspects in a self-assessment is to make an accurate assessment of each PM item being measured. We recommend the following 3-step procedure to obtain a representative score for each PM item.

**Step 1:** The chairperson (or their representative) requests the senior managers of the organisation to individually respond to the questionnaire (no collusion allowed in step 1) using the questionnaire provided (Appendix-A); the chairperson should also respond to the questionnaire.

**Step 2:** The chairperson (or their representative) collects the responses and determines the consensus score for each item through a consultation process (a meeting could be called upon to agree on the consensus score as it is highly unlikely that all managers would give the same rating to the same question).

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Step 3: The consensus scores are entered in the complementary Excel spreadsheet to generate graphical information to identify areas for improvement.

We recommend that an organisation should not react to a low item score as long as it has scored well in the other items in the same category. This is because a low score can sometimes be a consequence of incomplete information. For example, an organisation should not be overly concerned if they score low in Q6 as long as it scores well in the remaining 10 questions under Stakeholder Satisfaction). Therefore the category scores in general will be more robust than the item scores.

In keeping with the 1-7 scale used in the questionnaire we provide the following guideline to interpret an *individual item score*. 100.0% is “outstanding”; 83.3% is “very good”; 66.7% is “good”; 50.0% is “average”; 33.3% is “poor”; 16.7% is “extremely poor”; 0.0% is “non-existent”. At category level the above cut-off points can be re-adjusted to become lower (e.g. equal or greater than 90.00 % is outstanding, equal or greater than 80.00 % but less than 90.0% is “very good” and so on).

In addition to making absolute assessments on each PM item and category, we also recommend that an organisation compare its own scores with those of other organisations for comparative benchmarking (the relevant information can be obtained from the principal author). The study revealed that there are three key stakeholders for NPOs and that each stakeholder has their own expectations. Thus the organisations need to respond by adjusting the services based on what works best for them and their stakeholders, rather than being too preoccupied with serving the community alone.

We also believe that the self-assessment questionnaire helps organisations to start thinking about how improvements could be made in the process that they put in place to support a high-performing organisational culture; the questionnaire should also help managers to think about how to increase net cash in-flows (through the survey items under the Financial Health category/dimension) to strengthen the organisation to introduce new service models whilst enhancing the existing ones.

The survey results should also help an organisation to: (a) identify (or at least look for) best practices for process improvements, (b) identify trends in performance management practices, benchmark practices associated with planning, implementing and reviewing

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strategies, and (c) establish relationship between performance and stakeholders and organisational performance.

### **5.1 A Description of the Nine Performance Measurement Dimensions**

The following is a descriptive summary of the nine performance measurement dimensions (categories) identified by the study.

#### **Mission**

The mission (this also covers the core values) is at the heart of the NPOs since they are *mission driven* organisations; and the mission emphasises the very reasons for their existence. The measurement domain under ‘Mission and Core Values’ encompasses the following two sub-domains: social profit, and passion for mission. The main purpose of the organisational mission of an NPO is social profit, which pertains to making benefits to the society. Valuing skilled staff is emphasised in the core values of NPOs, and so is their passion for mission (one of the salient features of NPOs), the quality and variety of the services provided.

#### **Strategy**

Strategy as a PM dimension reflects how the organisation defines its mission, vision, and services and how effectively it lays a proper path to fulfil the necessary requirements for better services. This is captured through two sub-domains: strategy planning and strategy implementation. We believe that the third element of strategic management, strategy monitoring, is served by our performance measurement instrument itself.

#### **Capability Development: People Development and Information Development**

We found that strategies of NPOs are focused towards (apart from improving the Financial Health) developing organisational capabilities to drive the processes to deliver stakeholder outcomes to achieve the mission. Capability Development consisted of two domains: People Development and Information (knowledge) System Development. Training was found to be the most important element of People Development while advancing information technology and marketing was found to be the key element of Information Development. We found that the senior leadership of a NPO plays a vital role in developing the strategic resources (Finance, People and Information). Therefore we assert that a NPO has to be driven by their directors and the senior leadership for better performance, much the same way as their counterparts do in profit-driven organisation

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## **Financial Health**

We found that the financial health (wellbeing) of healthcare NPOs depends on three processes: processes directed at increasing cash inflows, processes directed at monitoring and controlling cash outflows, and the right investments in tangible and intangible resources (i.e. physical infrastructure and people respectively). We also found that the latter (i.e. investments) is an important requirement in sustaining financial health of NPOs. Accordingly, increasing cash inflows capture relationships with key stakeholders who provide cash inflows: funders, donors, and sponsors. These relationships include providing them information and feedback on how funding was sourced to achieve the mission and objectives of the organisation. It also captures the cash inflow aspect through fundraising projects and continuous innovation to create new revenue streams. Monitoring and controlling cash outflows is captured through the initiatives undertaken to reduce waste and terminate activities that do not result in serving the customer; in a NPO, such activities could be referred to as non-value adding activities.

## **Processes**

We found that the processes put in place by healthcare NPOs to achieve stakeholder satisfaction can be divided into three types: continuous improvement; design of safe, efficient and effective processes (which can be continuous or big-step process improvements); and designing the infrastructure, technology and material to create the necessary support processes. Continuous improvement refers to ongoing activity that develops over the time and in manifesting a better performing organisational culture. The design of safe, efficient and effective processes capture the collaboration processes that encourage the use and sharing of best practices for better performance through process improvement. The third sub-domain captures the extent to which the HR, finance, and IT systems have been designed to support the continuous improvement—and where relevant big-step improvement—processes.

## **Stakeholder Satisfaction: Client Satisfaction, People Satisfaction, and Donor Satisfaction**

We found that there are three major types of stakeholders in NPOs: clients (or customers), employees, and donors. Each of these stakeholder groups has their own set of expectations. Therefore stakeholder satisfaction is measured via three sub domains: delivery of high quality services and support to the community; valuing of skilled workers and recognising people (volunteers included); and commitment to social responsibility.

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We found that the clients, as well as their family/guardians, invariably expect high quality of support and services to them. As such we found that NPOs conduct regular audits and service reviews to deliver high quality services to their external customers. While employee satisfaction is virtually a universal requirement for the sustenance of any organisation, we found that NPOs face greater challenges than their for-profit counterparts in satisfying skilled workers because NPOs are not profit-driven and therefore, wages cannot be used as a major driver of employee satisfaction. Yet, our fieldwork found that NPOs attempt to strike an appropriate balance between monetary and non-monetary rewards to the employees by providing opportunities for employee development and growth, fair remuneration, recognising employee performance, and allowing them to involve in business planning. We also found that NPOs endeavour to achieve donor satisfaction (which is necessary for the financial sustainability of the organisation) by giving them the confidence that their moneys are directed towards creating a well performing and an empathic social service to the society. In addition, we found that typically, NPOs achieve this objective (i.e. donor satisfaction) by designing their services around the needs of the community (or targeted group), developing and implementing new service models, and collaborating with other organisations to fulfil social responsibility.

## **References**

- Salamon, L.M. and Anheier, H.K. (1997), *Defining the nonprofit sector : A Cross-National Analysis*, Manchester University Press, New York.
- Soysa, I.B., Jayamaha, N.P. and Grigg, N.P. (2016), "Operationalising Performance Measurement Dimensions for the Australasian Nonprofit Healthcare Sector", *The TQM Journal*, Vol. 28, No. 6, pp. 954-973.

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## Appendix-A

### A Questionnaire to Better Understand the Performance Measurement Dimensions for Australasian Nonprofit Healthcare Organisations

All the data collected from this questionnaire will be used for my PhD research only and the anonymity of the respondents and their organisations will be preserved at all times. This is why I am using Google Forms, which will ensure that I only receive the responses, but not the details of the respondent.

Please look through the questions carefully, and attempt to answer all the items. It will take about 25-30 minutes of your valuable time to answer all the questionnaire items. The questionnaire consists of two parts. Part one of the questionnaire covers the general information about the respondent and their organisation while Part Two covers 42 statements related to overall organisational behaviour. I am seeking your level of agreement — which can range anywhere from “strongly disagree (=1)” to “strongly agree (=7)”, depending on your perception — to each of these statements.

#### Part One: Basic information and background about you and your organisation

Please tick (✓) only one box for each question below.

1. Which category mentioned below does your organisation belong to?

- |                                       |                          |                                |                          |
|---------------------------------------|--------------------------|--------------------------------|--------------------------|
| Hospitals and rehabilitation          | <input type="checkbox"/> | Nursing homes                  | <input type="checkbox"/> |
| Mental health and crisis intervention | <input type="checkbox"/> | Support and ancillary services | <input type="checkbox"/> |
| Other health services                 | <input type="checkbox"/> | Please specify .....           |                          |

2. How long has your organisation (including any predecessor/s if applicable) been in operation?

- |                                |                          |
|--------------------------------|--------------------------|
| Less than 5 years              | <input type="checkbox"/> |
| 5 years to less than 10 years  | <input type="checkbox"/> |
| 10 years to less than 15 years | <input type="checkbox"/> |
| 15 years to less than 20 years | <input type="checkbox"/> |
| More than 20 years             | <input type="checkbox"/> |

3. What is your designation?

- |          |                          |     |                          |                  |                          |       |                          |
|----------|--------------------------|-----|--------------------------|------------------|--------------------------|-------|--------------------------|
| Director | <input type="checkbox"/> | CEO | <input type="checkbox"/> | Senior Executive | <input type="checkbox"/> | Other | <input type="checkbox"/> |
|----------|--------------------------|-----|--------------------------|------------------|--------------------------|-------|--------------------------|

If other, Please specify .....

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4. In which country does your organisation based?

Australia                       New Zealand

5. How familiar are you with performance measurement systems for strategic planning?

Very Much                       Somewhat                       Very Little

6. Does your organisation use a performance measurement system for strategic planning and/ or for performance monitoring?

Yes                       No                       Unsure

**If you answered 'no' or 'unsure', go to question 8. If 'yes', go to question 7**

7. If the answer to question 6 above is yes, for how long have you been using a performance measurement system?

More than 15 years     10 to 15 years     5 to 9 years     Less than 5 years

8. How many paid employees work in your organisation? .....

9. Approximately what percentage of funding do you receive from the following sources?

| Source   | Approximate Percentage |
|--|------------------------|
| Government   |                        |
| Other  |                        |
| Total  | 100                    |
| Note: Other category may include a verity of sources |                        |

## Part Two: Specific Questionnaire Items

Please indicate your level of agreement by ticking (✓) the most appropriate box to each statement in this section.

|    |   | Strongly Disagree | Disagree | Somewhat Disagree | Neither Agree Nor Disagree | Somewhat Agree | Agree | Strongly Agree |
|----|---|-------------------|----------|-------------------|----------------------------|----------------|-------|----------------|
| 1  | We support and provide community and social services that effectively meet the needs of those we serve.   |                   |          |                   |                            |                |       |                |
| 2  | We invest in our infrastructure and IT.   |                   |          |                   |                            |                |       |                |
| 3  | We maintain good relationships with the key stakeholders (e.g. funders, contractors, sponsors, and donors) from whom we get our current and future revenue. |                   |          |                   |                            |                |       |                |
| 4  | We organise projects to raise funds.  |                   |          |                   |                            |                |       |                |
| 5  | We strive to create independence, dignity and unlimited opportunities for our community (or targeted group) to improve their living.                        |                   |          |                   |                            |                |       |                |
| 6  | We attempt to measure the quality of life of our clients.   |                   |          |                   |                            |                |       |                |
| 7  | We use recognition schemes to reward our employees for their performance.   |                   |          |                   |                            |                |       |                |
| 8  | We review our services with our clients and collect their feedback.   |                   |          |                   |                            |                |       |                |
| 9  | Our organisation is the recognised leader in all matters related to our targeted group.   |                   |          |                   |                            |                |       |                |
| 10 | We evaluate and improve our processes continuously to achieve better outcomes for our clients.  |                   |          |                   |                            |                |       |                |
| 11 | We collaborate with other organisations to fulfil our social responsibility.  |                   |          |                   |                            |                |       |                |
| 12 | We provide regular information and feedback to the key stakeholders from whom we get our current revenue.   |                   |          |                   |                            |                |       |                |
| 13 | We develop our staff to provide services to our clients efficiently and effectively.  |                   |          |                   |                            |                |       |                |
| 14 | We are continuously innovating new services so as to create new contracts and new streams of revenue.   |                   |          |                   |                            |                |       |                |
| 15 | We constantly endeavour to reduce direct costs and overheads.   |                   |          |                   |                            |                |       |                |
| 16 | Our strategies are formulated based on the requirements of the stakeholders, the environment and the community needs.                                       |                   |          |                   |                            |                |       |                |
| 17 | Our senior leadership team and the board of directors are significantly involved in planning the strategies for the organisation.                           |                   |          |                   |                            |                |       |                |



|    |   |  |  |  |  |  |  |  |
|----|---|--|--|--|--|--|--|--|
| 18 | Our strategies are implemented by identifying the resources and the organisational structure needed to implement our strategies.  |  |  |  |  |  |  |  |
| 19 | Business oriented decision making, meaning outcome oriented decision making is important for the sustainability of our organisation.  |  |  |  |  |  |  |  |
| 20 | “Brand awareness” and growing knowledge and interest of the public about the services provided by our organisation is important for the sustainability of our organisation. |  |  |  |  |  |  |  |
| 21 | We provide fair remuneration to our employees.  |  |  |  |  |  |  |  |
| 22 | We develop and implement new models of services.  |  |  |  |  |  |  |  |
| 23 | We develop, review and update our strategies periodically based on stakeholder feedback, and the state of the environment.  |  |  |  |  |  |  |  |
| 24 | We manage our partnering and collaboration processes thoroughly to ensure the achievement of social responsibility.   |  |  |  |  |  |  |  |
| 25 | We design our service delivery processes to satisfy our stakeholders’ requirements.   |  |  |  |  |  |  |  |
| 26 | We use internal and/or external audits to check the quality of services that we are offering.   |  |  |  |  |  |  |  |
| 27 | We design our work/services around the needs of the community or the targeted group.  |  |  |  |  |  |  |  |
| 28 | We invest in our employees regularly (e.g. Benefits, trainings, etc.).  |  |  |  |  |  |  |  |
| 29 | The ability of the senior leadership team including the board of directors gives strength to our organisation.  |  |  |  |  |  |  |  |
| 30 | We provide training to our staff to maintain a high performance work culture.   |  |  |  |  |  |  |  |
| 31 | We developed organisational infrastructure and technology to deliver quality services to our clients.   |  |  |  |  |  |  |  |
| 32 | We measure the satisfaction of our clients on regular basis.  |  |  |  |  |  |  |  |
| 33 | We measure the satisfaction of our employees on regular basis.  |  |  |  |  |  |  |  |
| 34 | We have a fully integrated IT platform and/or a communication infrastructure.   |  |  |  |  |  |  |  |
| 35 | We invest in our employees.   |  |  |  |  |  |  |  |
| 36 | We develop, review and update our strategies periodically based on performance measurement.   |  |  |  |  |  |  |  |
| 37 | Our key support processes such as HR, Finance, and IT support are designed to support the key service processes.  |  |  |  |  |  |  |  |
| 38 | We hold staff workshops on strategic and business plans to get them involved in the business affairs of our organisation.   |  |  |  |  |  |  |  |
| 39 | Individual and departmental operating plans are traced back to each employee to enable the organisation and   |  |  |  |  |  |  |  |

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|    |   |  |  |  |  |  |  |  |
|----|---|--|--|--|--|--|--|--|
|    | the employee see the link between his/her work and the strategic goals of the organisation.                                       |  |  |  |  |  |  |  |
| 40 | We evaluate and improve our processes continuously to achieve better outcomes for our funders, contractors, sponsors, and donors. |  |  |  |  |  |  |  |
| 41 | We invest in the development of our volunteers.   |  |  |  |  |  |  |  |
| 42 | Our strategies are implemented by identifying the key processes required to implement each strategy.                              |  |  |  |  |  |  |  |

I appreciate your time and effort in providing me the responses.

**THANK YOU FOR PARTICIPATING IN THIS STUDY.**

# A survey to better understand the performance measurement dimensions for Australasian nonprofit healthcare organisations: data summary report

Soysa, IB

2016-10

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