



**An Empirical Study of How New Zealand Not For Profit Organisations Are
Faring In Performance Management and Evaluation**

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This session

- Introduction
- Motivation Behind the Research
- Literature Review
- Methodology
- Results & Discussion
- Conclusion
- Recommendations/Further Research
- Questions and Feedback

Introduction

- Current research shows Non Profit Organisations (NPOs) do not perform evaluation programmes very well
- Research concerning this topic is small and lacks significant depth especially from a New Zealand perspective
- More empirical studies are needed to add to the limited knowledge of this topic
- This research provides some awareness of the issues the New Zealand Non Profit Sector face in the area of programme evaluation

Introduction

Some questions this research will address:

- What types of evaluation activities are NPOs conducting on a regular basis?
- What types of evaluation data do NPOs collect on a regular basis?
- How do NPOs collect evaluation data?
- Who has primary responsibility for collecting evaluation data?
- How are these evaluations funded?
- How do NPOs use the evaluation data they collect?
- What are the barriers encountered by NPOs when performing programme evaluation?
- What are of evaluation capacities of New Zealand NPOs?
- Examples of impacts on New Zealand communities due to funding

Introduction

Definitions

- Programme evaluation is “the systematic assessment of programme results and the systematic assessment of the extent to which the programme caused those results” (Newcomer et al., 2004, p. 34).
- Performance measurement “involves the selection, definition, and application of performance indicators, which quantify the efficiency and effectiveness of service delivery methods” (Fine & Snyder, 1999, p. 24). It is also defined as a “measurement on a regular basis of the results (outcomes) and efficiency of services or programmes” (Hatry, 1999, p. 3).

Introduction

Problem Statements:

- What are the key issues/problems facing New Zealand NPOs today in the areas of performance measurement and evaluation delivery?
- How are these key issues/problems being addressed by NPOs?
- **Motivation behind the research**
- There is not a lot of empirical (especially quantitative) information available concerning this topic but mainly case studies.
- There is confusion concerning what NPOs do regarding performance measurement and evaluation practices.
- New Zealand is a small country with a small economy in comparison to its key trading partners eg., Australia, China and USA. This makes funding to NPOs a formidable challenge for performing performance management practices.

Motivation behind the research

- Assumptions are NPOs are unsure of how to perform evaluation practices; so how are they faring?
- It is essential that funding provided to NPOs is used in efficient and effective ways for the benefit of the communities they serve; so are they fulfilling these needs?
- This empirical research will provide a current information of what New Zealand (NZ) NPOs are doing regarding practices in evaluation and how they are managed.

Literature Review

Accountability Issues

- Increasing expectations of not-profit organisations world-wide be made accountable to their funders and beneficiaries.
- NPOs be more responsible to funders by being effective in achieving measurable outcomes in a business-like manner.
- Funders demanding NPOs become accountable, engage actively in performance measurement, evaluation, provide evidence of social returns to those whom invest in them, show capability in putting together sound business plans from sustainable business models (Onynx & Dalton, 2006).

Literature Review

Nonprofit sector has serious operational-based problems

- Many NPO struggle with performance measurement, reporting they do not have time, resources, support, knowledge, and expertise/capability to conduct evaluation and measurement of required outcomes (Carman, 2007; Carman & Millesen, 2005; Hoefer, 2000; Carman, 2010).

Literature Review

Content of nonprofit evaluation practices still unknown

- Murray (2005) believes there is confusion regarding which evaluation practices are actually being performed. This is because most research concerning PM and evaluation practices among community based nonprofits involves mainly case study research.

Literature Review

NPOs lack of commitment

- Carman and Fredericks (2008) and Mott (2006) add to the argument: “In some situations, performance- based accountability requirements have actually driven a wedge between funders and nonprofits, with some nonprofits viewing these requirements as a resource drain and a distraction” (Cited in Carman, 2010, p. 259).

Research will test a Logic Model

- The Logic Model tested in this research included the following components and sub-components.

Inputs/Resources

- Educational materials, trained staff, sufficient technical infrastructure, adequate funding, receives adequate feedback, receives support & interest from boards, funders, executives, others.

Activities

- NPO relies on evidenced-based programming, specifies theories of change, develops logic models, gathers data for evaluation & performance measurement purposes, CEO supports evaluation efforts, others.

Research will test a Logic Model

Outputs

- % of funders requiring evaluation & performance measurement, % of NPOs using evidence-based programming, % of NPOs developing theories of change, % of NPOs using logic models, % of NPOs gathering data for outcomes, controls, making comparisons, % of CEO supporting evaluation efforts, others.

Impacts on communities

- NPOs provide evidence where donor funds have been spent, NPOs provide evidence what differences funded NPO services have made to communities they serve (Carman, 2010; Kellogg, 2004).

Methodology

- Sample selection group: Not for profit CEOs/whoever is responsible for programme evaluation
- Why? Because they are expected to have knowledge of performance measurement, evaluation and social programmes in their organisation.
- Respondents invited to take part in the questionnaire research survey where they either accept or don't accept to take part in the research. Hence, it is their choice whether they take part in the research or not.
- Source: Sample population drawn from a NPS database of 3,500 NPOs.

Methodology

- Sample size 72 usable questionnaires.
- A further 27 were rejected due to insufficient information
- 189 people clicked on link to survey, 99 responded
- Response rate was 52.4%
- Response rate similar to Carman and Fredericks (2008) 57% (189/334).

- **Research design**
- Replicate study with minimal changes made from original questionnaire in areas of NPO sources of funding to meet the New Zealand situation and adding a question regarding providing evidence of positive impacts of NPOs activities on communities.
- Both qualitative and quantitative data collected using a questionnaire
- The raw data entered into IBM **Statistical Package for the Social Sciences (SPSS)** version 22 data analysis software programme.

RESULTS AND DISCUSSION

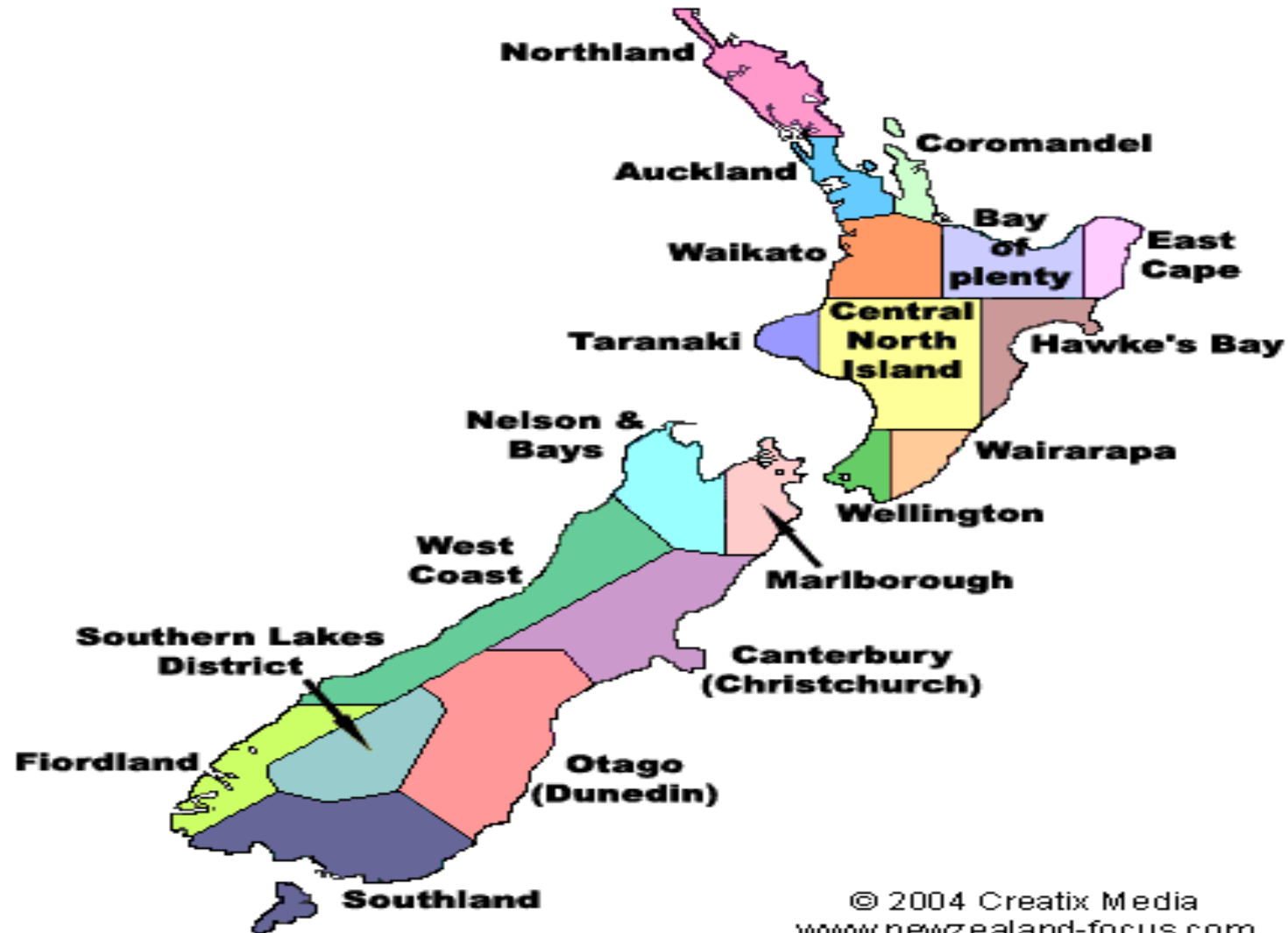
The role of the person who completed the Survey

- Executive Director (37%)
- Senior Staff Member (22%)
- Board Member (18%)
- Chief Executive Officer (8%)
- Assistant/Deputy Director (2%)
- Chair of Committee (2%)
- Other (12%)
- N = 60.

Sample

- The regions representing the sample included:
- Northland (3), Auckland (9), Waikato (1), Bay of Plenty (1), Hawkes Bay (3), Wellington (1), Canterbury (4), Otago (1) and Southland (1)
- Non-answers-19 respondents.
- Some NPOs provided services to all regions of New Zealand (19).
- Another 10 NPOs provided specific regions they provide their services to such as West Auckland or Waiheke Island or both Auckland and Waikato, etc.
- Sample provided a reasonable representation of all of New Zealand.

Map Of New Zealand Regions



Key Services and People Served

- Key services provided by respondents included: community development (29%), employment (24%), training (24%), health care (25%), recreational sport (19%), youth development (24%), other services (46%).
- The types of people served included: children (49%), adolescents (47%), adults only (56%), families (54%), seniors (32%), people with developmental disabilities (21%), others (19%).

Sources of Funding

	N	Minimum %	Maximum %	Mean%	Std. Deviation
NZ Gov Grants	21	1	75	16.81	19.666
NZ Gov Contracts	30	1	100	54.57	34.373
Membership Fees	30	1	100	42.47	39.971
Conduct Workshops	15	1	70	15.07	18.968
Conduct Conferences	8	1	20	7.63	7.269
Sales of Branded Merchandise	5	2	20	8.00	7.382
Sales for Rewards	1	20	20	20.00	.
City Council Sources	21	1	80	16.14	22.339
Foundations	18	1	20	8.39	6.194
United Way	0				
Special Event Fund Raising	16	1	85	13.13	20.694
Community Trusts	30	1	97	13.20	17.121
Bequests	7	2	73	27.14	26.302
Gaming Machines	11	1	20	7.09	7.106
Banks/Lending Institutions	6	1	10	3.17	3.430
Corporations/Businesses	12	2	25	9.83	7.907
Universities/Colleges	1	6	6	6.00	.
Lottery Board Grants	22	1	55	13.64	12.812
NPOs business Activities	29	1	100	29.97	27.414
Other Types of Donations	26	1	100	21.23	28.052
Number of NPOs Respondents	68				

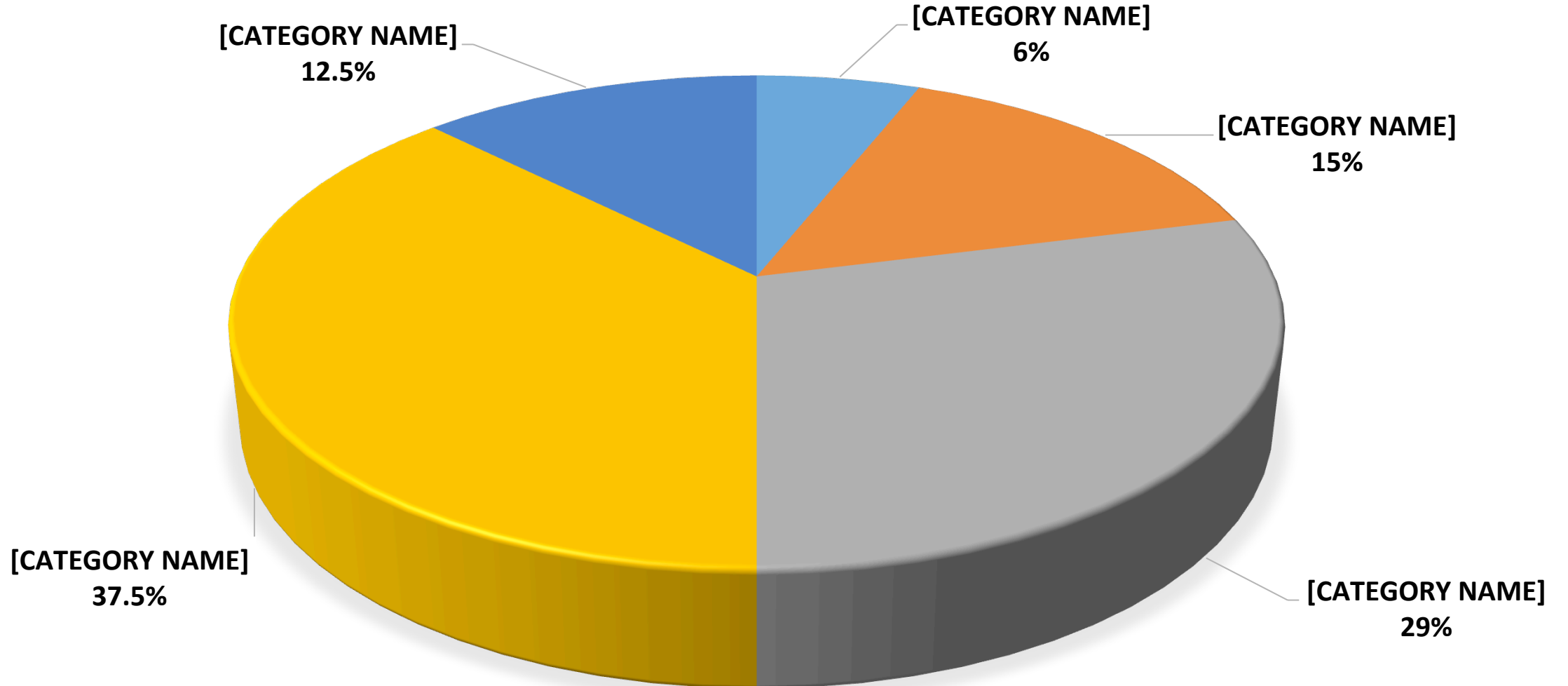
Major source of funding evaluation practices

- There are no costs (30%)
- We use our internal operating funds (59%)
- We receive a separate grant(s) for evaluation (2%)
- Funding for evaluation is included in our grants or contracts (4%)
- Received from other sources of funding (5%).
- These results include 56 out of the 72 NPOs.

Staffing and Operating Budgets

- Full Time Equivalent (FTEs) Staff Members and Part Time Equivalent (PTE) Staff Members operating budgets
- FTEs range from 0 to 679 people-number of FTEs:
 - Missing (3), 0(15), 1(8), 2 (10), 3 (7), 4 (4), 5 (4), 6 (2), 7 (1), 8(0), 9(0), 10(4), 14(2), 16(3)
 - Others: 23, 26, 29, 35, 39, 75, 100, 120, 679
 - N =69
- PTEs range from 0 to 0.7 people-number of PTEs: 11 positions
 - Missing (5), 0(56), 0.2(1), 0.4(2), 0.5(6), 0.6(1), 0.7(1)
 - N = 67
- Operating budgets
 - Range: \$600 to 10.2 million

Characterisation of Evaluation Practices



Data Collection Techniques

- The number of people you serve (79%)
- Demographics of the people you serve (58%)
- Information about program expenditures (i.e., how much money you spend; 76%)
- Information about other resource expenditures (i.e., staff & volunteer time, equipment & supplies; 58%)
- Information about consumer or participant satisfaction (62.5%)
- Information about best practices or benchmarks set by others in your field (37.5%)
- Information about program activities or outputs (i.e., hrs of counselling, number of referrals)
- Information about program outcomes or program results (i.e., changes in participant knowledge, changes in participant behaviours, improved conditions as a result of program activities; 56%)
- narrative or anecdotal data (i.e., testimonials, stories about program participants; 67%)
control or comparison data (i.e., data from people you do not serve, to make comparisons; 11%)
- All of these results include 69 out of the 72 NPO participants in the research.

Methods Used by NPOs in Collecting Data

- Written data collection tools (69%)
- Face to face interviews (53%)
- Observe and record programme activities (50%)
- Mail surveys (32%)
- Focus groups (26%)
- Social media (24%)
- Telephone surveys (17%)
- Handheld computer systems (10%)
- These results include 67 out of the 72 NPOs.

Primary responsibility for conducting evaluation activities

- Internal executive/management staff (51.5%)
- Board members or board committees (19.5%)
- Internal evaluation staff (7%)
- External evaluator (6%)
- Volunteers (3%)
- Other internal staff (1.5%)
- Students (i.e., interns, class projects: 0%)
- External agency or funder (0%)
- N = 67

Uses of Evaluation Data by Non-Profit Organisations. N =50

Uses of Evaluation Data



Rankings 1-5 (%) Why NPOs do Programme Evaluation. (N = 39)

Rankings 1 to 5 Percentages:	1	2	3	4	5
Program evaluation is part of our every-day management practices	31%	20.5%	20.5%	5%	23%
We are required to do programme evaluation by our funders, the board or management	8%	8%	5%	31%	49%
Program evaluation helps us to secure resources and promote ourselves to funders and stakeholders	0%	18%	26%	41%	15%
Programme evaluation helps us gather information about our programmes, make decisions and improve our programmes	49%	26%	23%	3%	0%
Program evaluation is an integral part of our strategic planning process	13%	28%	25.5%	20.5%	13%

1. Barriers Affecting NPOs When Performing Programme Evaluation. N = 43

- Not enough staff (42%)
- Not enough trained staff (39.5%)
- Not enough evaluation expertise (49%)
- Not enough funding (58%)
- Problems with evaluation design (28%)
- Not enough time (77%)
- Lack of available technical assistance (19%)
- Lack of affordable technical assistance (26%)
- Lack of leadership (i.e., executive director, staff; 12%)

2. Barriers Affecting NPOs When Performing Programme Evaluation. N = 43

- Lack of support from the board (12%)
- Lack of support or incentives from funders (26%)
- Funders requiring us to report irrelevant information (28%)
- Confidentially issues (23%)
- Computer hardware problems (16%)
- Computer software problems (28%)
- Problems with evaluation (9%)
- Data collection issues (33%)
- Data management issues (21%)
- Staff resistance to data (collection, understanding; 23%)

Types of evaluation resources needed by NPOs to improve their evaluation capacity. N = 46

- None-we have everything we need (17%)
- More staff (33%)
- Better trained staff (39%)
- External leadership/support from funders (30%)
- Internal leadership/support from staff (13%)
- Internal leadership/support from board (13%)
- More funding for evaluation (52%)
- Advice on how to use evaluation results (33%)
- Education about evaluation models and concepts (43.5%)
- Specific training on doing evaluation in our organisation (43.5%)
- Technical assistance to design an evaluation system (35%)
- Technical assistance to maintain evaluation system (22%)
- Computer software (30%)
- Computer hardware (20%)

1. Factor Analysis of Attitudes/ Thoughts of Evaluation Efforts

Evaluation as a resource drain and distraction	Evaluation as an external promotional tool	Evaluation as a strategic management tool	**Evaluation as a capability problem
The amount of time and money we spend on program evaluation is not worth it	Our funders are very interested in program evaluation	Program evaluation helps us improve the quality of services we deliver	We simply don't have the knowledge or expertise to do quality program evaluation
Much of what we do for programme evaluation is symbolic	We do program evaluation because our funders require it	Program evaluation helps us make strategic choices about our organization's future	
Spending time and resources on evaluation takes away from what we do best: provide services	We do program evaluation because it helps us promote ourselves to funders, other stakeholders, and the community	Program evaluation is an essential part of our strategic planning processes	

2. Factor Analysis of Attitudes/ Thoughts of Evaluation Efforts

Evaluation as a resource drain and distraction	Evaluation as an external promotional tool	Evaluation as a strategic management tool	**Evaluation as a capability problem
<p>Program evaluation requirements are just hoops that our funders make us jump through</p>	<p>We use our evaluation results to help us look good to funders and attract resources</p>	<p>Program evaluation is an integral part of our management practices</p>	
		<p>We often use the results from our program evaluation efforts to make organizational or programmatic decisions</p>	
		<p>*All of the good NPOs in our field are doing programme evaluation</p>	

- Show NPOs Engagement Activities if time allows

Examples of positive impacts NPOs have on the community/communities you served requiring funding.

- Training of our membership to become lifeguards and lifeguards rescuing boat crew on our local sand bar
- Raising literacy in youth, raising self confidence in driver licence testing amongst ESOL/ foreign language speaking learners.
- Opened new facilities, 2000 people visited in first weekend; brought international expert into the country to work with practitioners and create international networks
- Amazing Race Event - 300 students Years 5 – 8 participating in leadership development event. Over 900 people from the community have participated in our Thriving on a Shoestring programme.
- Couples counselling programme development and implementation. Children's support group for those impacted by domestic violence.
- Partnering with Massey University in a longitudinal study and developing a Nat Cert programme for training Youth Workers.

Conclusion

- How do New Zealand NPOs **use** the evaluation data they collect?
- It is important to note that about 80% of the NPOs use evaluation data in some way. However 27/99 (27.3%) respondents/not processed did not complete survey.
- Ways NPOs use data included: Using evaluation information to make changes in existing programmes, using data for strategic planning purposes, make decisions about fiscal allocations, make decisions about staffing, help NPOs establish program goals or targets and help NPOs get new funding.
- These practices are very strategic in many cases and would require board member consideration.

Conclusion

- **Barriers encountered when performing programme evaluation**
- Some results in this research in contrary to the literature about barriers NPOs face regarding programme evaluation.
- However, some key barriers in this research included: Not enough staff, not enough trained staff, not enough evaluation expertise, not enough funding and not enough time.
- Expected barriers in programme evaluation reported in evaluation research but majority of respondents disagreed with in this research:
- Problems with evaluation design, lack of available technical assistance, lack of affordable technical assistance, lack of leadership (i.e., executive director, staff), lack of support from the board, lack of support or incentives from funders, funders requiring us to report irrelevant information, confidentiality issues, problems with evaluation, data collection issues and data management issues.

Conclusion

- What do New Zealand NPOs **think** about their evaluation efforts?
- Four main themes came out of this research:
 - 1. Evaluation as a resource drain and distraction
 - 2. Evaluation as an external promotional tool
 - 3. Evaluation as a strategic management tool
 - 4. Evaluation as a capability problem (this research only).
- First three themes also found in research of Carman and Fredericks (2008)
- Last theme was NOT found in the research by Carman and Frederick (2008) when using the same questionnaire model framework.

Recommendations/Further Research

- Some NPOs (8) too reliant on one source of funding e.g., membership fees (5 NPOs) hence they need to find additional sources of funding meaning improving their marketing strategies to attract new and different funders
- Program evaluation needs to be more of an integral part of a NPOs strategic planning process –why is this not important to NZ NPOs?
- We have a formal, detailed evaluation plan. Disagreement was 60% in this research-why was this the case?
- What Performance Management Systems are NPOs using?

Recommendations/Further Research

- Only 52% of respondents agreed that staff have a clear understanding of their role in the evaluation process. More research needs to be done in this area to bring more staff on board to play their role (what part will I play?) in the evaluation practices (what needs to be done) and the process (how things will be done).
- What Performance Management Systems are NPOs using?
- NZ NPOs need to build strong relationships with external evaluators to improve knowledge and skills to improve evaluation capacity

THANK YOU

QUESTIONS AND FEEDBACK