Literature Review

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SERAP ATAKAN, M. G. AND EKER, T. (2007) CORPORATE IDENTITY OF A SOCIALLY RESPONSIBLE UNIVERSITY – A CASE FROM THE TURKISH HIGHER EDUCATION SECTOR. *JOURNAL OF BUSINESS ETHICS* 76: 55–68

The purposes of universities include teaching, theoretical and applied research, and the development of both faculty and students. An institution's student focus should include development of innovative programs, continuous improvement of educational quality and preparation of students for life after university.

In an environment of competition between universities for student enrollments, a well-defined institutional corporate identity helps universities compete on a national and international level. This case study reports on Istanbul Bilgi University (IBU)'s efforts to develop its corporate identity and accompanying social responsibility initiatives.

Turkish higher education, the university and the community

The 1981 Turkey Higher Education Law provided for the establishment of private universities, the first being founded in 1984. Unlike free state universities, private institutions charge tuition. The bigger budgets of these institutions translate into better facilities, technology and teaching resources, as well as smaller class sizes. Despite these seeming advantages, private institutions still suffer from lack of prestige and the general belief that the state-funded institutions still provide a higher quality education.

IBU was founded in 1996 as a private nonprofit university. It has focused on developing expertise in the social sciences and currently enrolls 8200 students. Its two urban campuses are located in the shantytowns of Kustepe and Dolapdere. These communities are characterized as low income with lower than average quality services including housing, education and health providers. Most adult residents are nominally educated, unskilled labor.

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Research questions and methodology

This qualitative descriptive study seeks to 'gain a deeper understanding of how Istanbul Bilgi University integrates its social responsibility initiatives into its corporate identity program' (p. 60). The authors cite the lack of research studies on the incorporation of social responsibility initiatives into a university's corporate identity scheme as impetus for research. Their specific objectives are to find the motives behind IBU's corporate identity program, describe its components and how they relate to the university's social responsibility initiatives.

Data were collected through in-depth interviews with two high-level administrators, the Director of Communication and one faculty member from each of the departments of Law, Public Relations, Business Administration, and the Social, Economic, and Political Research Center. These are the people with responsibility for the overall corporate identity program and the social responsibility initiatives. The interviews were 2 hours in duration and were conducted by the researchers who are also affiliated with the university. The questions explored the importance of corporate identity, why philanthropy was incorporated into the program, what philanthropic initiatives had been put in place and outcomes. The researchers also utilized institutional documents including student handbooks, press releases and institutional mission statements in their investigation.

Corporate identity and social responsibility initiatives

IBU undertook a corporate identity program to generate a unique identity

for IBU, to mediate perceptions of inadequate quality and to deflect criticism from the public about the location of the campuses. Because the founders made a commitment to invest in the community and to serve socially and economically excluded people, the location was deliberately chosen to facilitate these goals, as was the decision to initiate social responsibility initiatives to serve the immediate community.

The mission and values of IBU affirm the belief that academic institutions are part of the community and must participate in its life. Along with establishing and maintaining academic quality, IBU has made a commitment to 'generating a knowledge-based society' (p. 62) and participating in the improvement of the community. This includes a commitment to educating members of the community as well as its enrolled students. IBU espouses a fundamental belief in tolerance for differences of 'values, beliefs, and lifestyles' (p. 62).

Ideas for social responsibility initiatives are generated and implemented at the departmental level with approval from top management. Initiatives generally fall into three categories. The first and most fundamental is teaching ethics and social responsibility to enrolled students. IBU also supports educational initiatives at the local and national level through free evening business skills courses for community members, providing supplies and technical support for elementary schools in the campus neighborhoods, scholarships for local youth, arts education for local youth and free legal services. Students participate in many of these initiatives. IBU also provides school

supplies and technical support to elementary schools in Eastern Anatolia. The third area of involvement is individual student projects, which aim to improve community health, economic conditions and the local environment. Specific examples include the establishment of a clinic, assisting local women to establish a cooperative through which to sell their handicrafts and an earthquake education program. Because of these initiatives, the local residents enjoy an improved standard of living, students have gained a sense of social responsibility from exposure to real-life community problems and IBU has earned a positive institutional reputation.

Conclusions

Corporate identity is important for diverting public criticism of private institutions and is particularly important to IBU to justify its choice of location. Corporate identity is typically composed of logos, statements of mission and values and how those are communicated to the public. This research goes beyond that to profile a case study in which social responsibility initiatives extend the interests of the institution beyond its walls. Social responsibility is a fundamental part of the IBU mission and is infused at all levels, not just dictated by administration. IBU is unique even among Turkish universities in that it both teaches and provides for active engagement in social responsibility initiatives.

**WRIGHT, M.H. AND
BOCARNEA, M.C. (2007)
CONTRIBUTIONS OF
UNRESTRICTED FUNDS: THE
DONOR ORGANIZATION –**

PUBLIC RELATIONSHIP AND ALUMNI ATTITUDES AND BEHAVIORS. NONPROFIT MANAGEMENT AND LEADERSHIP 18(2): 215–235

Historically, little research has been done that elucidates the strategic nature of the relationship between nonprofit organizations and their donors and how those relationships affect donations. The authors have undertaken an exploratory study to measure 'the predictive and explanatory relationship between donor OPR [organization – public relationship] and donor attitudes and behaviors toward giving in a higher education nonprofit organizational setting' (p. 216).

Nonprofit organizations do not have sufficient levels of unrestricted funds. Wright and Bocarnea propose that this is related to a general decline in how the stability of nonprofit organizations is perceived and the sense that public trust has declined. The relationship of the donor to the organization is critical in maintaining a level of unrestricted donations. Four hypotheses are tested:

Hypothesis 1: In higher education nonprofit organizations, higher levels of donor organization–public relationship result in higher levels of alumni donor willingness to contribute unrestricted funds.

Hypothesis 2: In higher education nonprofit organizations, higher levels of donor organization–public relationship result in greater dollar amounts of alumni donor contributions per year.

Hypothesis 3: In higher education nonprofit organizations, higher

levels of donor organization–public relationship result in greater frequency of alumni donor contributions per year.

Hypothesis 4: In higher education nonprofit organizations, higher levels of donor organization–public relationship result in alumni donors’ making annual gifts more regularly (pp. 223–224).

Methodology

A survey was conducted in the fall of 2000 of a randomly selected sample of 1000 undergraduate alumni from the 1990s alumni database of Azusa Pacific University. The survey was made available both by mail and electronically. Eighty-four useful responses (9 per cent) were received. The data analysis utilized simple regression. Hypothesis 1 was the only one supported by the data.

Implications

The donor–organization relationship is important in higher education institutions and should receive more attention from researchers, higher education leaders and practitioners. The results support the idea that donor behavior with regard to gifts of unrestricted funds is rooted in social and psychological components of the relationship to the institution.

Therefore, organizations must accept the importance of developing and sustaining relationships and interrelationships with the parties that can provide unrestricted funds.

Organizations depend on unrestricted funds to realize the full potential of their missions. Consequently, understanding what affects donation of unrestricted funds

becomes critical. The recent emphasis placed on nonprofit efficiency may not be useful in attracting gifts of unrestricted funds compared to efforts to develop long and sustained donor relationships.

**SARGEANT, A., WEST, D.C. AND JAY, E. (2007)
THE RELATIONAL DETERMINANTS OF NONPROFIT WEB SITE FUNDRAISING EFFECTIVENESS: AN EXPLORATORY STUDY. NONPROFIT MANAGEMENT AND LEADERSHIP 18(2): 141–156**

Only a small percentage of nonprofits successfully raises money online. The percentage of funds raised online versus other methods is very small. Although examples of effective online fundraising are available, documentation of successful efforts is sparse. There have been no studies of what makes a website effective for fundraising. The purpose of this research was to develop a methodology for relating website characteristics to online fundraising effectiveness.

Through literature review, the authors developed eight constructs to define site characteristics:

Accessibility: Is it easy to make a gift?

Case for support: Does the site articulate why a person would want to make a gift?

Respect: How well does the organization communicate with the prospective donor?

Accountability: How well does the site articulate appropriate use of resources?

Interaction: How well does the site provide multiple ways for people to interact with the organization?

Education: How well does the site explain the organization's mission?

Customization: How well can a prospective donor customize the site to reflect personal preferences?

Empowerment: Does the site allow the donor to act or have an impact on the mission?

Because there are few studies that link perception of a website to fundraising performance, the authors also tried to test that connection – particularly new donors recruited, donation level and total donations raised in the online environment.

Three-stage methodology

Using the organizations listed in the Charities Aid Foundation Top 500, the authors used a mail survey to gather data on fundraising performance from 54 UK charities. The charities selected were known to have used their website as a fundraising vehicle. The response rate was 47.8 per cent. The data indicated that the Internet is not a major source of funds for UK charities. It was also apparent that it is difficult to separate fundraising cost from the total cost to mount and maintain an organizational website. Although a very small number of UK organizations have successful online fundraising programs, the vast majority does not raise much through this means.

In stage 2, scales were developed for measuring the eight constructs. The original pool of items was tested, refined and validated, resulting in 35 items across the eight constructs.

At the outset of stage 3, a donation of 10 GBP was made online to each of the organizations that participated in stage 1 of the research. Using the scales developed in stage 2, website communications for each of the organizations were assessed over the next 6 months by eight experts in Internet marketing to evaluate the site's performance.

Results

The sites rated highest in their ability to provide information about the organization's mission and ease in making a gift but did not do as well in Customization and Respect. In some cases this was due to commercial aspects being added to a donation site (such as a 'shopping cart') making the gift transaction seem impersonal.

Mean scores were calculated for each of the eight characteristics and then matched to the survey results from stage 1. The Case for Support characteristic was not related to any other aspect of site performance. Respect and Customization were also not linked to performance. These two attributes may be more an issue for returning donors rather than first-time contributors. Accessibility, Accountability, Education and Interaction correlated to new donors being attracted to a site. All of these four other than Interaction were related to the amount raised through the site. Empowerment was the only characteristic that correlated to donation level.

Implications and conclusions

Education and Accessibility were the best-developed areas on the sample sites. This is significant because these attributes are also linked to the

number of new donors attracted to the sites. Customization, Respect and Case for Support were not linked to the number of new donors attracted. The fact that Respect was not linked to performance was not surprising as this is an attribute that would be more important to long-term donors who had established a relationship with the organization. Customization was also not correlated to performance but few sites offered the ability to customize the donor function.

The strongest correlations were between constructs and the number of new donors attracted rather than average donation size. Only Empowerment correlated to average donation size. This could be because donation size is not related to website characteristics or because few organizations suggest donation amounts.

Online fundraising performance will improve if organizations work to strengthen the presence of the eight constructs within their websites. Organizations must make online giving convenient by easy navigation to the giving section of the site. They also need to provide assurances about how personal data will be shared with third parties and how gifts will be used.

The authors feel that people will use the Internet to search for information and give to organizations that provide the information they need but will not go out searching for worthy causes to donate to. Consequently, good information content is critical for a website. Overall, the online revolution in fundraising has not happened yet in the United Kingdom. Websites are not designed primarily as fundraising vehicles, making it difficult to evaluate them for this purpose.

MAZZAROL, T.W. AND SOUTAR, G.N. (2008) STRATEGY MATTERS: STRATEGIC POSITIONING AND PERFORMANCE IN THE EDUCATION SERVICES SECTOR. *INTERNATIONAL JOURNAL OF NONPROFIT AND VOLUNTARY SECTOR MARKETING* 13: 141–151

Educational institutions – particularly those focused on higher education – have found it necessary to compete for their share of the market. Even within the English-speaking world, the United States is no longer the only country competing for enrollments. This is especially true for younger institutions that do not have fully developed reputations. In order to compete, academic administrations have had to develop strategic marketing initiatives to attract students from both their home countries and abroad.

The purpose of this research was to study the efforts of Australian higher education institutions to recruit international students. The authors surveyed the strategies that had been used and queried administrators about which ones had been effective. They also attempted to measure how effective the strategies actually were. The authors conclude with recommendations for institutions that are trying to become competitive in this market.

Theory and methodology

Porter's (1980, 1990) three generic strategies of successful competition were used as the framework for this study:

- *cost leadership*: the institution's product costs less than any of its competitors;

- *differentiation*: the product provided must be superior quality than that of competitors, making it possible for the institution to charge more;
- *focus*: the institution competes within a segment of the market based on cost leadership or differentiation.

In theory, no strategy is considered better than another but only one should be employed if it is to be effective.

A questionnaire was developed to ask institutions whether they used any of Porter's strategies and whether they were effective. The instrument was reviewed by experts in international education marketing, revised and then tested on a sample of 17 institutions. The finalized questionnaire was sent by mail to 258 Australian institutions that were actively involved in recruiting international students. Correspondence analysis was used to examine strategy use, followed by cluster analysis to determine whether subgroups of institutions employed similar strategies.

Results

Correspondence analysis showed that 30 per cent of the respondents did not use any of the three generic strategies. The other 70 per cent of institutions used either a single strategy or a combination of strategies:

- Cost leadership (6 per cent)
- Differentiation (12 per cent)
- Focus (13 per cent)
- Cost and differentiation (7 per cent)
- Cost and focus (5 per cent)
- Differentiation and focus (14 per cent)
- Cost, differentiation and focus (14 per cent) (p. 145)

Cluster analysis of the 179 institutions that indicated use of a strategy revealed four dominant approaches:

- Differentiation strategy (12 per cent of institutions)
- Cost leadership strategy (26 per cent)
- Focus strategy (19 per cent)
- Focus-Differentiation Strategy (13 per cent) (p. 146)

To evaluate effectiveness, a performance factor was calculated based on individual ratings of the growth in the number of international students, whether or not the demand for places for international students exceeded availability, forecasts that indicated continued growth in international enrollments and financial benefits that exceeded institutional expectations. This analysis showed that groups with no strategy fared the worst but, among the institutions that used a strategy, the differences were not significant. Having a strategy was important but it did not matter which one was used.

Discussion and conclusions

The authors emphasize four aspects of their findings. First, it is significant that a fair number of institutions are trying to compete with no strategy. Other research has shown that the lack of a marketing strategy or a reactive approach is not effective. Institutions need to adopt marketing strategies if they are going to be competitive. The study also suggests that the strategy of cost leadership is often adopted. Competing for a low cost advantage may be difficult for institutions to sustain since many of their costs are not readily controllable or can only be

reduced through compromises in quality. Particularly during times of reduced government funding, cost strategies may not be sustainable. The use of a differentiation-based strategy by almost 50 per cent of respondents suggests that administrators strive to avoid cost-based competition and that they recognize that quality is still valued. Finally, the use of focus strategies reflects the recognition of opportunities to fill the needs of diverse groups and provide specialized training and course work.

Although this study is limited to Australian institutions of higher education, it shows the potential benefits that nonprofit organizations can derive from developing strategic marketing initiatives. In particular, Porter's generic strategies can be applied to nonprofit organizations. The scope of this research should be widened to look more broadly at nonprofit organizations.

Porter, M.E. (1980) *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. New York: The Free Press.

Porter, M.E. (1990) *The Competitive Advantage of Nations*. New York: Macmillan Press.

**WATERS, R.D. (2008)
APPLYING RELATIONSHIP
MANAGEMENT THEORY
TO THE FUNDRAISING
PROCESS FOR INDIVIDUAL
DONORS. JOURNAL
OF COMMUNICATION
MANAGEMENT 12(1): 73–87**

Among fundraising professionals, there is increasing recognition of the value of developing relationships with individual donors at all levels. However, there is no research to

support the efficacy of relationship development initiatives. Waters' purpose is to explore the value of the nonprofit–donor relationship using theory developed in the field of marketing used to study the organization–public relationship (OPR). In particular, he wanted to know whether a strong donor–organization relationship indicates that a donor will make a contribution and continue to give.

The OPR theory Waters uses in this study is the four-facet relationship measurement scale developed by Hon and Grunig (1999). The four components are:

- *trust*: how honest one party can be with another; the scale looks at integrity, dependability and competence;
- *commitment*: whether the relationship is worth the time and other resources used to maintain it; attitude and intended behavior are both measured;
- *satisfaction*: the extent to which both parties to the relationship are convinced that the benefits of the relationship outweigh the costs;
- *control mutuality*: who holds and wields power in the relationship.

The framework also looks at whether a relationship is communal (concern for the other party drives the relationship) or based on exchange (the relationship is based on past benefits and the anticipation of future benefits).

Based on the four criteria, Water's first research question asks,

To what extent do donors give the non-profit organization a favourable

rating on the four relationship dimensions and perceive the non-profit organization as having a more communal than exchange relationship. (p. 77)

To evaluate the behavior of different levels of donors, Waters developed two hypotheses:

Hypothesis 1: Compared to regular donors (for example, those who give less than \$5000), major gift donors will rate the nonprofit organization higher on the four relationship dimensions (p. 78).

Hypothesis 2: Compared to one-time donors (those who have only donated to the nonprofit organization once), repeat donors will rate the nonprofit organization higher on the four relationship dimensions (p. 78).

Finally, to examine the link between attitude toward the organization and giving behavior, Waters states a second research question,

Can a donor's evaluation of the non-profit organization–donor be used to predict whether they donated in the most recent campaign for the organization? (p. 78)

Methodology

Data were gathered from the donor pool (individuals only) of a large health-care nonprofit organization using an electronic survey that was placed on the organization's website. This set-up allowed the surveys to be matched anonymously with donor giving history. The 30-item survey included questions to measure trust,

commitment, satisfaction, control mutuality and the perception of a communal relationship as opposed to an exchange relationship. In addition, demographic information was collected about participants.

Respondents reacted favorably on all four criteria and perceived the donor–nonprofit relationship to be communal and not based in exchange. Both Hypotheses 1 and 2 were supported. Major gift donors and repeat donors rated the organization higher on all criteria than others. Discriminant analysis was used to determine whether the criteria could be used to predict giving behavior. The four criteria were used as independent variables against the variable of whether or not the donor made a contribution during the most recent campaign. The model correctly predicted donation.

Discussion and conclusions

The practitioner claim that there is value in developing donor relationships is valid. The donors in this study reflected high levels of trust for the nonprofit organization as well as confidence that the organization would achieve its goals. Donors wanted to see the organization succeed and felt that donations were being used productively.

Because there have been calls for greater transparency by nonprofit organizations, the author recommends that organizations take measures to communicate with donors through multiple means. Organizations should spend more time on stewardship issues. They should make financial information readily available – preferably on the organization website. Using donations responsibly and for

the purposes for which they were given is crucial, as is informing donors about how these commitments have been kept. Stewardship applies to donors at all levels and not just major donors.

Waters calls for more research in this area. The current study should be

expanded to encompass a broader range of organizations. The model also needs to be tested in international contexts.

Hon, L.C. and Grunig, J.E. (1999) *Guidelines for Measuring Relationships in Public Relations*. Gainesville, FL: The Institution for Public Relations.

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**SUSAN D. SAMPSON
AND LYNDAL MOORE
(2008), 'IS THERE A GLASS
CEILING FOR WOMEN
IN DEVELOPMENT?'
NONPROFIT MANAGEMENT
AND LEADERSHIP, 18(3),
PP. 321–339**

Equal opportunity and comparable compensation for women and minorities has not become a reality despite legislation that was enacted more than 40 years ago. The Equal Pay Act of 1963 stipulates that within an organization, the compensation for similar work should be the same without regard to gender.

Denial of access to the highest paying positions to women, minorities and the disabled is known as the 'glass ceiling.' Although glass ceilings are created by discrimination and bias, pay disparities between men and women are often attributed to women leaving the workforce for periods of time to take care of family obligations. Time out of the workforce translates to significantly lower lifetime earnings. However, there is no research that supports the notion that women are leaving the workforce in large numbers for substantial periods of family leave.

Statistical comparisons of women in the workforce, educational attainment, senior managerial positions held and wages over a 10-year period document the existence of a glass ceiling for women in the corporate world.

This presence has not been as persuasively documented in the nonprofit arena but comparisons can be made. Women managers in the nonprofit sector are both underrepresented and undercompensated. In both the profit and nonprofit sectors, the compensation gap is highest in middle age and older individuals. Nonprofit wages tend to be lower than government or profit companies. In addition, women in the nonprofit sector are paid less than their male counterparts. A disproportionate number of women in the nonprofit sector work for small and midsize organizations. Where women have managed to advance in the larger organizations, male executives earned 27 per cent more than women in comparable positions. One favorable change has been in foundation board composition, where the percentage of women participants grew from 23 to 34 per cent between 1982 and 2000.