

Public Abstract

First Name: Timothy

Middle Name: A.

Last Name: Hausman

Adviser's First Name: Joe

Adviser's Last Name: Donaldson

Co-Adviser's First Name: Brad

Co-Adviser's Last Name: Curs

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Department: Educational Leadership & Policy Analysis

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Title: Does It Matter Who Pays? An Analysis of the Relationship Between Department Revenue Mix and Department Faculty Perceptions of Organizational Effectiveness

Over the past several years, public higher education has generated alternative sources of revenue in an effort to offset lost state appropriations. Increased tuition, private gifts, and research contracts and grants are prevalent strategies. With these changing financial circumstances, it is important for public institutions to not lose sight of their mission and core objectives.

This study examined whether there was a relationship between academic department faculty perceptions of organizational effectiveness and department revenue mix at the University of Missouri - Columbia (MU). Surveys were sent to 1,300 MU benefit eligible faculty to assess perceptions of effectiveness. Department revenue mix was determined based on financial records obtained from MU for the 2010-2011 fiscal year. Alternative revenue sources were identified for this study as contracts, grants, gifts, investment, revenue and sales.

Analysis revealed that at the time, faculty generally perceived their departments to be effective across nine different organizational effectiveness factors, regardless of revenue mix. Correlation results revealed significant, and marginally significant, positive and negative relationships between certain organizational effectiveness factors and specific types of alternative revenue. However, the relationships were not of a sufficient level to alter the general conclusion.

The study's findings are important because they allow administrators to begin understanding the impact of revenue strategies on organizational effectiveness, and to use this understanding to improve effectiveness. This knowledge will most likely become increasingly important as public institutions will have to continue relying on alternative sources of revenue. The study also revealed several areas of possible future research.