

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

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Abstract

The study examined one aspect of higher education's uncertainty in its financial environment, whether there is a correlation between faculty perceptions of organizational effectiveness and department revenue mix. The study used open systems theory along with Cameron's (1986) nine-factor organizational effectiveness model for higher education.

Cameron's survey instrument was modified to assess department faculty perceptions of organizational effectiveness and sent to approximately 1,300 MU faculty appointed prior to September 1, 2012. Faculty responses were grouped by department for analysis. Revenue data for FY2010-11 were collected from MU budget records. Department revenue percentages were determined by coding revenue transactions into general revenue, fees, contracts, grants, gifts, investment, revenue and sales. The latter six were alternative revenue sources as they did not arise from appropriations or tuition.

Correlation was used to determine relationships between revenue mix and organizational effectiveness. Findings of significance ( $p \leq .1$ ) and marginal significance ( $0.1 < p \leq .15$ ) were reported. Results revealed both positive and negative correlations between certain types of revenue and different organizational effectiveness factors. Overall, however, faculty perceived their departments to be effective across all organizational effectiveness factors, regardless of revenue mix.