Project Management Performance Assessment in the Non-Profit Sector

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Synopsis

As the non-profit sector becomes increasingly dependent on projects to achieve its strategic goals, the use of formal project management processes can demonstrate to stakeholders that an organisation is taking steps to improve its performance. However, the adoption of processes drawn from the for-profit sector without examining their effectiveness can have detrimental effects. To help address this, a new model for project management performance assessment in non-profit organisations is proposed.

Relevance for practice education

The proposed non-profit project management performance assessment (NPPMPA) model draws on aspects of the European Foundation for Quality Management (EFQM) business excellence model, a project management performance assessment model best suited to for-profit environments, and criteria identified as particular to non-profit organisations. It is intended to guide practice, and organisations are encouraged to tailor to suit their own particular needs.

Research design

The research is based on a theoretical study and analysis of existing models and frameworks that are relevant to project management performance assessment.
Main findings

The increasing dependency on projects, coupled with the adoption of private sector practices in the non-profit sector, points to a growing need for effective project management performance. Existing performance management systems and quality management systems are unsuitable for the implementation, measurement, and improvement of project management practices in the sector, so a new model is proposed. Themes such as continuous improvement and organisational capacity informed the development of this new model.

Research implications

Further empirical research is recommended to test the applicability of the proposed NPPMPA model and to further refine it in order to maximise its usefulness as a tool for performance improvement.

Keywords

non-profit organisations, project management, performance assessment

Faced with the challenge of using finite resources to achieve ambitious objectives, non-profit organisations often seek to use managerial behaviours and processes from the private sector to become more efficient or effective. As a result of engaging with “business-like management” (Dart 2004:301), they often become “more business-like in their operations and attitudes” (p. 209). One of the management practices that is garnering increased attention is project management as it allows organisations to “apply knowledge, processes, skills, tools, and techniques that enhance the likelihood of success over a wide range of projects” (PMI 2013, p. 15). Introducing formal project management processes into a non-profit organisation (NPO) can demonstrate to stakeholders that the organisation is taking steps to improve its performance, as the use of advanced management tools is seen as linked to higher levels of organisational effectiveness (Herman and Renz 2008). Nonetheless, a lack of resources and experience often leaves NPOs without a framework to implement and improve their project management within their unique context (Ospina et al. 2002). It can also lead to the implementation of for-profit management processes without taking the proper steps to ensure they are effective (Dabbs 1991; Eisenberg 1997) or that the organisation is ready to implement them (Ospina et al. 2002). This, in turn, can lead to inadequate project planning, poor stakeholder engagement, and ineffective or non-existent risk management strategies. This ultimately leads to low impact, and wasted time and money (Kelecktaite and Meline 2015).

It is essential therefore that NPOs take the time to assess their project management performance, and that they have appropriate means to do so. Project management performance assessment frameworks already exist, but none have been developed specifically for the non-profit sector. This paper addresses this gap by presenting a proposed model for a non-profit project management performance assessment. It focuses on community-serving NPOs that provide human services to a community, either nationally or locally. As such it excludes international development organisations and other NPOs with global operations, as well as member-serving organizations such as cooperatives, trade unions, industry associations, and sports clubs.

The paper begins with a review of literature related to non-profit sector management, measurement, and improvement systems, before looking at project management measurement.
and improvement systems. Current systems are analysed for applicability to NPOs, relevant concepts and frameworks are explored, and criteria for a useful framework are identified. The new model for NPO project management performance assessment is then proposed, followed by conclusions, limitations, and considerations for future research.

Performance and Quality Management

The complementary terms performance management and performance measurement are often misused or used interchangeably (Hatry 2002; McHargue 2003). Performance measurement defines explicitly the organisation’s “primary objectives and how to measure achievement of these objectives” while performance management specifies “the processes that generate performance and, hence, a specification of how management decisions can control performance” (Speckbacher 2003:268). Both lead to performance improvement in a range of managerial areas including accountability, capacity, effectiveness, efficiency, and quality (Cairns et al. 2005; Kong 2008).

Key stakeholder satisfaction is seen as the most important measure of success in the non-profit sector (Kaplan 2001; Neely et al. 2002). It is also recognised as a vital element of success in the project management literature (Nicholas 1989; Wateridge 1995; Atkinson 1999; Tukel and Rom 2001; Bryde 2003), and forms the basis for the definition of quality in the quality management literature (BSI 1995; Oakland 2000; Evans and Lindsay 1996; BSI 2000). This makes a connection between quality in private organisations and NPOs in the same way that Bryde (2003) “makes a link between quality, project performance, and PM performance” through the common focus of meeting stakeholder requirements (p. 203). Nonetheless, quality management has been criticised for having language that is unclear and inappropriate for use in NPOs, even when it is specifically developed for the non-profit sector (McTiernan 1998).

Performance management systems (PMS) measure an organisation’s achievement toward “performance indicators [that] quantify the efficiency and effectiveness of service-delivery methods” (Fine and Snyder 1999, p. 24), while quality management systems (QMS) refers to approaches to performance improvement that have a focus on management and improving service quality through meeting stakeholder needs (Cairns et al. 2005). PMS’s have been shown to improve management functions, with Moynihan and Ingraham (2004) finding that “setting strategic direction and obtaining performance data allows leaders to judge the performance of existing management systems, and make decisions on the reorganisation of the systems for the purpose of closer coordination and greater effectiveness” (p. 430). Bryde (2003) asserts that a stakeholder’s definition of quality in the project environment is affected by the project and by project management performance. However, while PMS research can contribute to understanding how to measure and improve NPO performance, QMS’s are considered more relevant to this study because of their focus on improving management quality and their ability to help implement project management.

Projects and Project Management in Non-Profit Organisations

One of the main things that set non-profit work apart from for-profit endeavours is that it is not always an economical and techno-scientific concern, but a moral–ethical concern, particularly when it signifies the ideals of social good and social action (Cicmil & O’Laocha 2016). “The inclination toward managerialist, technocratic, and instrumental approaches often presents dilemmas relating to the understanding of issues like success and failure,
accountability, risk sharing, and agency” (Lannon & Walsh, 2016). Nonetheless, there are similarities between projects undertaken in for-profit organisations and NPOs. Projects are “a singularly executed endeavour with a certain scope, quality, and a financial frame, with a beginning and an end, of particular complexity and interdisciplinary in character” (Renz 2007, p. 13). They can be used as a catalyst for change in an NPO and can assist in furthering the organisation’s strategic plan. Indeed because of a scarcity in resources or funding, projects are often the only way an NPO can accomplish something meaningful.

Nowadays executive positions in NPOs are increasingly being filled by people who bring a familiarity with business disciplines (Myers and Sacks 2003; LeRoux and Wright 2010). However, it is essential to bear in mind that staff and volunteers may not have the experience or mindset to embrace the science or principles of project management.

**Improving Project Management Quality**

In the private sector, performance is often assessed by employing QMS’s that focus on managing processes (Freeman and Beale 1992; PMI 2013) and aim to ensure the quality of a product. QMS’s have also proven useful for implementing and improving project management performance (Kerzner 1994; Bryde 2003). Bryde (2008) concludes that there is theoretical justification for creating a project management performance model because it can increase the likelihood of success by contributing to overall project satisfaction, and can benefit an organisation by ensuring client needs are met.

Total Quality Management (TQM) is a management approach that creates a focus on process management and a culture of continuous improvement and enables organisations to reflect on their project performance to find ways of improving their outcomes in the future (Stamatis 1994; Raine 2006). TQM has been linked to project management (Broetzmann et al. 1995; Choi and Eboch 1998; Hides et al. 2000; Bryde 2003), and is seen as a relevant, holistic approach to performance improvement (Sun 2000; Slack et al. 2010) due to its inclusion of social and technical aspects (Bou-Llusar et al. 2009).

Another tool designed to assess project management performance is Bryde (2003)’s Project Management Performance Assessment (PMPA) model (Figure 1). This is intended as “a framework for identifying the characteristics of high performing and low performing PM performance” (p. 245). The model was a response to the lack of project management performance models that reflected the emerging multi-dimensional, multi-stakeholder perspectives on projects and project success. It is based on the European Foundation for Quality Management (EFQM) business excellence model which is a tried and tested quality award model to assess the progress of an organisation (Hillman 1994). It can also be used as a diagnostic model for self-assessment or management control (Wonggrassamee et al. 2003).

![Figure 1: The PMPA Model (Bryde, 2003)](image-url)
The EFQM business excellence model (Figure 2) has been shown to increase quality awareness (Vernero et al. 2007) and bring awareness and understanding toward continuous improvement to stakeholders (George et al. 2003). It consists of five enabler criteria that focus on organisational operations, and four results criteria that represent achievements for stakeholders. The enabler criteria are “leadership; people; strategy; partnerships and resources; and processes, products, and services; and the results criteria are people, customer, society, and business results” (EFQM 2013).

The EFQM model is typically used when implementing business excellence concepts and TQM (Doeleman et al. 2014). It is seen as an advanced TQM approach due to the inclusion of additional business management aspects, which also makes it more complex (Bayo-Mariones et al. 2010; Gutierrez et al. 2010). The model is considered to be the gold standard for organisational self-assessment, and several models have been based on it including Bryde (2003)’s PMPA model.

The main difference between the PMRP and EFQM models is that the former is modified to focus on assessing project environments and uses key performance indicators (KPIs) instead of the original EFQM model’s four results areas. There have been some research studies that validate its credibility and versatility. Qureshi et al. (2007) tested it in several sectors in Pakistan, finding that “the deployment of the PMPA model has a positive and significant impact over PM performance” (p. 385). Din et al. (2010) adapted Bryde’s original PMPA for the construction sector, mainly through the addition of financial management activities. They found that there was synergy between QMS’s and project management in project-oriented organisations. Bryde’s study also included data from government agencies.

**Performance Measurement Systems in the Non-Profit Sector**

NPOs have traditionally used external auditors to evaluate their organisations. Nonetheless, self-assessment is becoming more common (Ellis and Gregory 2008). These give people the opportunity to voice concerns that they usually could not or will not put forward in the regular decision-making process, which in turns opens the door for learning, creativity and new ideas (Paton et al. 2000). Using QMS’s for self-assessment in an NPO enables the organisation to create a dialogue that “may or may not be productive, depending on how skilfully it is conducted, whether enough time and effort is afforded to it, and how willing those involved...”
are to think afresh and engage with the issues that arise” (Paton et al. 2000, p. 31). The objective of a self-assessment is to find ways to improve while recognising and maintaining what is already going well (Hillman 1994, p. 29).

Logic models are another common tool used by NPOs to measure and evaluate their performance (Carman and Fredericks 2008). Using these to articulate a programme’s performance story helps meet accountability requirements while reflecting on measurement outcomes can guide continuous improvement (McLaughlin and Jordan 1999). Logic models can help staff understand the organisation’s theory of change and see which outcomes should be measured and why (Savaya and Waysman 2005). Management is increasingly integrating these models into their practices in order to encourage quality awareness, harmonise the expectations of stakeholders, and encourage employee involvement in the improvement process (Rojas 2000; Tutuncu and Kucukusta 2007; Vernero et al. 2007; Davies 2008).

There are three main parts to a logic model: inputs, outputs, and outcomes. Inputs are what is invested in the organisation. Outputs are the activities, or tasks, undertaken by the organisation and the participation of stakeholders, while outcomes measure short-term learning and awareness, medium-term action, decisions and policies, and long-term consequences (Taylor-Powell et al. 2003).

There are some other performance measurement tools and techniques already in use in the non-profit sector. Many of these put a strong focus on clients, the organisational mission, and continuous improvement. One approach, best practice benchmarking, is used by NPOs to compare their practices and processes against other organisations in order to improve their performance. According to LeRoux and Wright (2010), “benchmarking against industry standards is a particularly common way to measure performance in child welfare and behavioral health (mental health and substance abuse) fields in particular”. A large percentage (almost half) of “social service agencies collect data on industry best practices or benchmarks” according to Carman (2007), cited in LeRoux and Wright (2010), while over half (55%) of disability service organizations report doing so.

Kaplan’s (2001) balanced scorecard has also been adopted by the non-profit sector. This focuses on measuring the performance of the organisation in areas such as value, learning, and growth. The notion of measuring progress against achieving the organisational mission and creating a greater client focus is essential for measuring non-profit success, but the balanced scorecard is so broad and vague that organisations without trained project management staff may not know what to measure or how to define project management success.

Neely et al. (2002) suggest the performance prism as a comprehensive, multi-dimensional framework to create a balanced overview of an organisation’s performance that can be integrated throughout the organisation. It takes a stakeholder–focused stance and features five unique and interconnected performance perspectives: stakeholder satisfaction, capabilities, strategies, stakeholder contribution and processes (Kennerley and Neely 2002; Neely et al. 2002). The performance prism assists in the identification of KPIs and performance drivers that reflect stakeholder wants and needs through the use of workshops. However, there is low implementation in the non-profit sector (Adams et al. 2001), and it is unclear if it can assist in implementing project management there.

The Practical Quality Assurance System for Small Organisations (PQASSO) is a popular general quality system in the UK voluntary and community sector that explores aspects of an NPO’s management and operations but misses the cultural approach of the EFQM model (Paton et al. 2000; Cairns et al. 2005). Also, some NPOs use generic QMS’s and PMS’s
that are commonly used across all sectors. These include ISO 9000, Quality Mark, and the Excellence Model. Off the shelf, in-house, and subsector systems (often developed by a national infrastructure body, for example, the UK’s Quality in Alcohol and Drug Services) are also often used by NPOs, but none have been adapted and verified to the extent of the EFQM model (Cairns et al. 2005).

These tools can be useful for non-profits seeking an overall assessment of their progress towards achieving their organisational mission, but they are too general to measure project management performance as none of them take into account the unique needs of implementing, measuring and improving project management. However, the trend towards the adoption by NPOs of private sector strategies for social sector success (Kearns 2000) suggests that QMS’s like the PMPA model is expected to help improve project management implementation. This and the fact that the concepts of TQM have been shown to be applicable in the context of the non-profit sector (Kerzner 1994; Bryde 2003) indicate that the PMPA model provides a valid basis for a project management performance assessment model for the non-profit service delivery sector.

Proposed Non-Profit Project Management Performance Assessment Model

The proposed Non-profit Project Management Performance Assessment (NPPMPA) model (Figure 3) is based on the EFQM model, the PMPA model, and other criteria identified as particular to NPOs. The model is made up of five enabler activities: project management leadership and board; project management internal stakeholders; project management policy, strategy, and mission; project management partnerships and resources; and project management life cycle process management. There are three results areas: client and society KPIs; staff and volunteer KPIs; and funder, partner and organisational KPIs. In this model, the project management leadership and board enables the internal stakeholders to achieve the results through the other activities. After using the model, NPOs can reflect on their performance, create an improvement plan, and use the model again to test their progress.

Figure 3: The Proposed NPPMPA Model
The model is multi-dimensional, flexible, and accounts for multiple stakeholder views. QMS models should be tailored for context and have a clear purpose as they “can be and are used in quite different ways and for different internal purposes; within a single organisation the manner of and rationale for use may change over time or differ between subunits” (Paton 2003, p. 27). The NPPMPA model allows for modification, as different organisations may require different approaches. As Micheli and Kennerley (2005) note, performance measurement should be modified for different organisations and internal capabilities should be developed in order to be able to manage it over time better.

NPOs operate within complicated environments with several competing stakeholders. These include donors, agencies, governments, the board of directors, volunteers and clients. Some stakeholders provide resources and legitimacy to NPOs, and by their nature, the judgements of performance by some are seen as more credible and influential than others. At times excess of stakeholder input can make measuring performance more reactive than strategic, causing the process to be a drain on resources, especially if the stakeholder is requesting something the NPO cannot, or feels it should not provide (Radnor and McGuire 2004; Balser and McClusky 2005; Moxham 2009). Formal and informal mechanisms for managing stakeholder relationships can help NPOs respond to stakeholder pressures (Ospina et al. 2002). Thus they may benefit from conducting a stakeholder analysis to assess the roles of stakeholder groups and to assign weights to the results KPIs accordingly.

Cairns et al. (2005) found that stakeholders should be involved from the early stages of developing and implementing a PMS to help see the benefits and to understand how it will work within the organisational culture (Sanger 2008). The organisation should “identify strategies to maximise the benefits associated with including various stakeholders [...] in the process of defining outcomes and developing” the system (Carnochan et al. 2014, p. 1029). Cultivating relationships and improving two-way communication channels with stakeholders is important (Drucker 1990; Ospina et al. 2002) and building trust is an important strategy for the creation of social capital (Balser and McClusky 2005). Staff commitment to the organisational structure is more important than the type of structure adopted (Kushner and Poole 1996). Fortunately, the “EFQM model’s participative application approach promotes commitment to the arrangements and thereby the realisation of the intended improvements” (Doeleman et al. 2014, p. 457).

NPOs should also recognise their obligation to make decisions proactively to balance responding to stakeholder expectations with the organisation’s capacity, resources, and understanding of what is an appropriate activity (Oliver 1991; Romzek 1996). Creating shared subjectivity of evaluation criteria through the continuous use and discussion of the evaluation process can increase constructiveness and benefits (Tassie et al. 1996). This can be complicated by the interconnectedness of stakeholder groups, as they are rooted in environments where NPOs cannot always manage their communication (Balser and McClusky 2005). Nonetheless, NPOs must guide stakeholder expectations with their mission, values, and capabilities in order to increase the chances of being seen as an effective organisation that is responsive to the public interest and stakeholder needs (Balser and McClusky 2005).

NPPMPA Model Enablers

The first part of the proposed NPPMPA model is the enabler criteria, which detail what the organisation does to obtain their results. In the EFQM model, enablers “are those processes
and systems that need to be in place and managed to deliver total quality” (Hillman 1994, p. 29), or in this context, high-quality project management.

**PROJECT MANAGEMENT LEADERSHIP AND BOARD**

The EFQM model explains that leaders champion the implementation and awareness of TQM, adding that “they are flexible, enabling the organisation to anticipate and react in a timely manner to ensure the on-going success of the organisation” (EFQM 2013, p. 4). Bryde (2003) changed the original criteria of “leadership” to “PM leadership,” to reflect the need for leadership to encourage the development of project management and a projects culture in the organisation, and to promote the role of projects for managing business change. There is also a need to incorporate the role of the Board of Trustees into the leadership criteria due to their influence on the everyday management of operations and their role in constructing and reviewing strategies (Al-Tabbaa et al., 2011). For an improvement system to succeed, there had to be a top-down commitment, including the involvement of the Board, to managing the organisation in a new way, beyond simply supporting its use (Kaplan, 2001). Otherwise, there is a risk that over time an organisation can become complacent and lose focus of their critical success factors and KPIs.

Gutierrez et al. (2010) found that the various degrees of organisational development necessary to implement the EFQM model made it complex to apply and thus required a stronger commitment than other quality systems. To be effective, management must have an intrinsic motivation for performance improvement (Heras-Saizarbitoria et al. 2011), and they must spark an interest in education and research within other internal stakeholders to tap their full potential (Osseo-Assare et al. 2005). By having a senior member of management be a “quality champion,” the organisation can establish the importance of the system so staff can see the value of its integration (Cairns et al. 2005, p. 143) and also secure funds for building capacity (Carnochan et al. 2014). Kaplan (2001) highlighted a need to fully embrace the use of the system throughout the organisation, to align the activities of all individuals with achieving the overall strategic mission.

In effective NPOs there is a strong, supportive relationship between the chief executive officer (CEO) and the Board of Trustees (Knauff et al. 1991; Herman and Heimovics 1994). Beyond inspiring internal stakeholders, the Board should connect the organisation and its environment, representing them positively and communicating external stakeholder perceptions, views and beliefs back to the organisation (Harlan and Saidel 1994; McClusky 2002). Effective Boards often have a significant impact on organisational decision-making in NPOs, but while this is generally positive, it can have its downsides. Bryde (2003) noted that one of the challenges in his model was creating a balance between giving project managers individual freedom and allowing for high-level management controls that integrate PM with the overall strategies of the organisations.

**PROJECT MANAGEMENT INTERNAL STAKEHOLDERS**

Internal stakeholders are people who contribute to the operations of the NPO. These are primarily paid, staff and volunteers. These are more directly affected by changes in operations and organisational culture than board members.

The EFQM model says that outstanding organisations encourage fairness and equality while creating a mutually beneficial environment where people can develop and achieve their own goals in tandem with organisational goals. These organisations “care for, communicate,
reward and recognise, in a way that motivates people, builds commitment and enables them to use their skills and knowledge for the benefit of the organisation” (EFQM 2013, p. 4). The PMPA model narrows in on the planning, management and rewarding of project staff in both the short-term (current) project view and the longer-term focus on developing their career and knowledge to benefit future projects (Bryde 2003). Al-Tabbaa et al. (2011) concluded that the inclusion of the internal stakeholders in the EFQM model was “justified because the tasks of the employees of NPOs are not as precisely defined or quantified as the employees of private organisations” (p. 604).

PROJECT MANAGEMENT POLICY, STRATEGY, AND MISSION

The EFQM model has a “strategy” criteria which encompass the implementation of an organisation’s mission and vision through the development and use of a stakeholder-centered strategy that utilises plans, processes, policies, and objectives. The PMPA model reflects the EFQM model’s criterion of “Policy and Strategy” by using “PM Policy and Strategy” to focus on how project management is planned, deployed and developed in the organisation as policy (Bryde 2003). Making staff aware and accepting of project management is often a complex process that requires determination, reassessment, and realignment over time, but when it is implemented in a formal way it is perceived to be effective. Furthermore, Giffords and Dina (2004) found that NPOs respond better to environmental changes when they incorporate a strategic planning approach to implementing quality improvement.

NPOs are more concerned with how their initiatives have contributed to furthering strategic objectives than on simply attempting to reach milestones. Measures should “be strategically-designed to encourage operating units to focus on the highest-leverage strategies” (Sawhill and Williamson 2001, p. 375). NPOs should focus on their mission by having a defined statement of strategy and by measuring performance based on progress made toward achieving it (Kaplan 2001). By quantifying and measuring progress towards their strategic goals, organisations can create clearly defined methods and objectives to fulfil them and to establish a renewed focus on their overarching mission (Kaplan 2001).

Adhering to the mission is considered best-practice for NPOs (Drucker 1990), but competition can lead management to focus on providing quality services to maintain their reputation in the present moment instead of funnelling resources into activities that can further the organisational mission in the long run (LeRoux and Goerdel 2009; LeRoux and Wright 2010). Consequently few NPOs have systems to determine if the organisation’s strategy for making an impact in line with their mission is working or not.

PROJECT MANAGEMENT PARTNERSHIPS AND RESOURCES

The PMPA model introduces the PM Partnerships and Resources criteria as a means to assess the quality of partnerships with project stakeholders and the processes that are in place for formally involving project stakeholders (Bryde 2003). In the non-profit sector, project management partnerships and resources refer to the connections with other NPOs, as well as with government agencies and others that help to expand the organisational capacity of the NPO and create monetary and non-monetary benefits through collaboration (Arya and Lin 2007).

NPOs are increasingly engaging in collaborative arrangements with other organisations, which makes managing these external relationships vital (Salamon and O’Sullivan 2004; Balser and McClusky 2005). Their organisational capacity is increased through successful
partnerships with other organisations and increasing organisational capacity is an important goal of measuring the performance of a successful organisation (Sawhill and Williamson 2001).

PROJECT MANAGEMENT LIFE CYCLE PROCESSES

Finally, the PMPA model suggests that organisations use procedures, processes, and models to manage the life cycle of the project, finding that they resulted in organisation-wide benefits which may help them develop a TQM perspective. Bryde (2003) also found that “there were situations in which life cycle models helped organisations develop a common project language, a culture of open communications with stakeholders and an understanding of the critical project-related business processes [...] in both the pre and post-implementation stages of the project life cycle” (p. 241).

Results

The Results criteria of the proposed model show what an organisation has achieved in comparison to their strategic goals. They reflect project management KPIs and the degree to which they are managed through project management methods, the connection of project objective management and the realisation of project benefits, the measurement of stakeholder perceptions, and the creation of KPI management methods, with a focus on increasing organisational capacity. In the proposed NPPMPA model, Results reflect the impact that the Enabling criteria have had on stakeholder satisfaction, in line with the stakeholder’s influence.

NPOs face numerous challenges when attempting to measure success. Kaplan (2001) suggests that NPO success should measure how efficiently and effectively they fulfil the needs of their key stakeholders and believes that organisations should measure what they are trying to achieve. However, managers in the non-profit sector often choose units of measure they feel are important or that might be of interest to funders without taking into consideration the relevance of the units or the needs of other stakeholders (Carnochan et al. 2014).

Qureshi et al. (2007) found that KPIs have a significant impact on PM performance. The EFQM model suggests that organisations develop their own KPIs, list the outcomes for successful implementation of their strategy, articulate targets, separate results by stakeholder needs, discover underlying patterns in the results, and, when possible, benchmark against other organisations. However, determining critical success factors (CSFs) and defining KPIs for each factor can be a challenge for NPOs. There is likely to be a lack of clarity regarding what constitutes an excellent organisational performance, for example, a funder may be more interested in process-related performance (i.e., amount of clients served) while the organisation is driven by outcome-related performance (i.e., client satisfaction and progress) (Carnochan et al. 2014).

Another challenge in adopting CSFs in the non-profit sector is that their use and interpretation may vary. Stakeholders often determine NPO effectiveness based on the extent to which their expectations were met and how they are treated by the organisation (Herman and Renz 2008).

Bryde (2003) acknowledges a paradigm shift in the way PM success is approached, understanding that there are multiple dimensions to project success that is seen differently by different stakeholders and at different times. There is no universally accepted standard framework for assessing project success for organisations to subscribe to, nor should there be. As a case in point, when comparing the importance of commitment in the workplace, a
for-profit stakeholder could cite the value of job progression, business survival, and personal income, while a non-profit stakeholder would focus more on the value of volunteerism and generosity (Rojas 2000).

Nonetheless, NPO managers can proactively negate negative effects on performance by paying close attention to KPIs (O'Toole and Meier 2010). Evidence from other sectors has shown that clearly defining and updating these indicators has lasting value for an organisation (Kennerley and Neely 2002; Kuwaiti 2004; Wouters and Sportel 2005).

CLIENT AND SOCIETY KPIS

The EFQM model's first two Results criteria are Customer Results, which expects organisations to “meet or exceed the needs and expectations of their customers,” and Society Results, which are meant to do the same for “relevant stakeholders within society” (EFQM, 2013, p. 5). Al-Tabbaa et al.(2013) suggested “Customer” criteria be changed to “Beneficiaries and Donors” and Kaplan (2001) suggested that NPOs place the donor and recipient perspectives alongside each other, but recognise they are not the same stakeholder and will have different needs and views. The donor perspective is typically more concerned with organisational capacity, while clients and the greater society will seek improved service quality.

Client and customer KPIs are important for measuring organisational performance and effectiveness, but their insight leaves room for false positives as someone can disclose a high level of satisfaction with their services despite a lack of improvement in their condition (Morley et al. 2001; LeRoux and Wright 2010). This is something that needs to be considered when choosing KPIs.

STAFF AND VOLUNTEER KPIS

Following on from the significant positive link between job satisfaction and the implementation of the EFQM model, the proposed NPPMPA model seeks to increase staff and volunteer capacity and improve their work environment.

Bryde suggested that organisations should measure the “level of recognition of the role of PM-related processes in increasing capability of PM staff and the existence and operation of processes for developing and evaluating PM staff” (2003, p. 244). Developing the PM capability of staff is necessary to ensure that a project's human resources are at their maximum potential (Riis and Neergard 1994). NPOs can suffer a lack of buy-in from other stakeholders who may not see the system as meaningful or useful to their role in the organisation, especially when they are not involved in the implementation (Cairnes et al. 2005). The proposed NPPMPA model mitigates the potential negative effects of staff disillusion by encouraging their involvement in the development and implementation of the assessment.

FUNDER, PARTNER, AND ORGANISATIONAL KPIS

NPOs receive pressures from government sponsors, other funders and individual donors to demonstrate that they have the capacity as an organisation to provide superior services (Eisinger 2002, Wing 2004). Measuring performance and assessing service quality are ways to show that they are taking responsible and ethical steps to further the mission and public good (Carman 2009; LeRoux and Wright 2010), such as by increasing their organisational capacity through the development, implementation, and improvement of PM (Carnochan et al. 2014).
NPOs often have conflicting views of success in comparison to their funders. Also, different funders require different measures without consulting each other, creating a drain on resources for organisations who are already running on empty (Moxham 2009). Most funders seek measures of short-term quantitative data, which does not motivate NPOs to show the outcomes or impact of their services on their clients, which some scholars say is precisely what they should be measuring (Osborne et al. 1995, Wainwright 2003; Moxham 2009).

Implementing quality systems encourages NPOs to self-reflect as an organisation, and to learn and develop for continuous improvement (Cairns et al. 2005). Nonetheless, NPOs can struggle to apply the knowledge acquired from QMS’s, often failing to create a coherent and meaningful action plan for improvement under uncertain and demanding environments.

It is assumed that when organisations implement performance improvement systems, they will use that knowledge to make better strategic decisions, but if upper management is not committed to applying the information gathered then no benefits can be realised from its use at any level of the organisation (Moynihan 2005). Some NPO managers see PMS as a tool for strategic management, but others regard it as primarily important for marketing and promotion (LeRoux and Wright 2010). Others just view it as a distraction that drains already scarce resources.

NPOs should use the results from an assessment to create an integrated action plan for further organisational improvement. This should then be repeated after a period and results compared. Sanchez et al. (2006) found that organisations generally only found improvements in most EFQM criteria after completing four self-evaluation cycles, especially in ‘Processes, Products, and Services.’ Similarly, Doeleman et al. (2013) found that the EFQM model needed 5-10 years for effective implementation.

**Conclusion and Next Steps**

This research contributes to the increasing need to consider project management in the non-profit sector by offering a proposed quality management model for implementing, measuring and improving project management in NPOs.

The findings show that stakeholder satisfaction underpins understandings of quality in quality management, the non-profit sector, and project management literature. Aligned with the increasing dependency on projects, as well as the adoption of private sector practices in the non-profit sector, there is a growing need for effective project management performance. Existing PMS’s and QMS’s are unsuitable for the implementation, measurement, and improvement of project management practices in the sector, so a new model is proposed. Themes such as continuous improvement and organisational capacity informed the development of this new model.

This research is limited by a lack of qualitative and quantitative testing. This needs to be addressed through data collection across a sample of NPOs in order to test the applicability of the proposed NPPPMPA model and to further refine it in order to maximise its usefulness as a tool for performance improvement. Sending questionnaires to organisations, as done in Bryde’s (2003) original research study on the PMPA model and in the adaptations and validations that followed (Qureshi et al. 2007; Din et al. 2010), is seen as an appropriate approach.

Finally, it should be borne in mind that the manner in which an organisation conducts projects is affected by its organisational culture and this evolves. According to Lynch-Cerullo and Cooney (2011), an organisational culture that encourages performance measurement does several things. It maintains a pursuit of quality instead of blame, views the PMS as a tool for
learning, encourages staff to think critically, engages stakeholders when defining outcomes, and uses data frequently. Leadership should make an effort to create an effective and appropriate PM culture within the organisation to aid its implementation.

A shortage of human, financial and technological resources leaves many NPOs unable to cope with developing and managing complex multi-dimensional performance and management systems. NPOs should assess their readiness for organisational change against the potential benefits of implementing PM. Modelling and measuring PM performance may be appropriate for the increasing number of NPOs that are project driven, but for others, it may not.

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