Gov-o-Metrics 1 Results

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EXECUTIVE SUMMARY

At a time when stations face new challenges in technology, fundraising and programming, public radio leaders also recognize the importance of effective governance as a key to future success. Effective governance allows stations to react quickly to opportunities, tap the greatest resources of the community, and plan strategies for becoming the public service media companies of the future – all while building stable, fiscally responsible organizations. SRG conducted an on-line survey, from December 2002 through January 2003, to gain a better understanding of how public radio leaders view the role and effectiveness of governance at their stations.

In this first broad sampling of opinion on public radio governance, more than 200 public radio personnel and board members share their views by rating the importance of and their stations’ performance on 15 attributes of effective governance. The attributes, developed with input from many station leaders and guidance from an advisory board, can apply to any public radio governance structure. Analysis of the survey results shows several findings:

- **Survey respondents rate all the attributes as important**
  On a scale of one to five, with five being highest, none of the attributes averages lower than a score of 3.5. The highest average score was 4.7. Respondents agree that the 15 attributes are all important elements of effective governance.

- **Survey respondents placed the attributes in clusters**
  Survey respondents condense the array of attributes into five clusters: fiscal control, operations, big picture thinking, board functions and outreach and fundraising. The clusters have a hierarchy, with a clear distinction between what is important and what is not.

- **Fiscal related attributes come first**
  Attributes related to fiscal control rate as most important, followed by a cluster of attributes related to station operations. The middle cluster focuses on big picture thinking – mission, public service and long term planning. The next cluster centers on board functions, and the cluster rated as least important concerns outreach and fundraising.
• **Performance follows importance**
  In general, those attributes rated as most important also receive the highest marks on performance. Survey respondents say stations perform best on those attributes related to fiscal control.

While there is broad agreement in rating the importance and performance of the attributes, there are some differences based on the job title of the survey respondent, the type of licensee, the size of the station budget and other factors. The most distinct differences are highlighted below.

There is no right or wrong ranking of the attributes on the Gov-o-Metrics survey; it presents a snapshot of current thinking on governance. Not all stations have the same experience with or exposure to governance issues, so responses can vary. However, the survey tells us that station leaders have made choices about where to put their focus. Stations can take pride in their performance on the attributes ranked as most important, but those attributes at the bottom of the ranking are also important and present opportunities for stations to build more effective governance structures. Until stations have high performance on all the attributes, they are not fully using their governance structures as a tool to meaningfully advance public service.

SRG will conduct its Gov-o-Metrics survey again in late 2003, charting any changes in attitudes or performance on governance. Just as stations periodically examine their strategies for fundraising or programming, they also need to look critically at the governance structures in place and determine whether they require adjustment or overhaul. The survey can help stations ask the questions that will help them achieve the greater goal of aligning public service mission with governance, to create a powerful organization that knows where it’s going and has the support and resources to get there.
SURVEY MECHANICS

SRG’s Gov-o-Metrics survey began with dozens of interviews with public radio leaders, asking questions about the role of governance and the characteristics of effective governance. In addition, we conducted research on non-profit governance and established an advisory board to guide us in our examination of this important aspect of public radio.

Based on all the information we gathered and input from our advisory board, SRG established 15 attributes of effective governance. There are many models of governance in public radio, but these attributes can be applied to any public radio governance structure. In our confidential on-line survey, conducted from December 2002 to January 2003, we asked respondents to rank the importance of the attributes and then rate their stations’ performance on the attributes. By January 31st, our survey drew 236 responses from general managers, staff members, board members and university administrators.

In addition to questions about governance, we also asked respondents to tell us about their stations. We requested the size of the station budget, licensee type, whether the station is a joint radio-TV licensee, whether the station is a member of the Station Resource Group and the type of board the station works with – licensee or other (friends, community advisory, etc.). This information allows SRG to compare responses by categories, for example, university licensees vs. community licensees.

ABOUT THE CHARTS

Each attribute was scored on a scale of one to five for importance and performance.

On the importance rankings, one represented “not at all important” and five represented “very important.” The charts on importance show scores for each attribute as above or below a median importance score of 4.39. The lowest overall average score for importance was 3.58 and the highest was 4.71.

On the performance ratings, one represented “really bad” and five represented “excellent.” The charts on performance show scores for each attribute as above or below a median performance score of 3.77. The lowest overall average score for performance was 2.51 and the highest was 4.39.
Governance has many dimensions, and those around the fiscal responsibilities and day-to-day operations of running a public radio station rank as most important in the survey. Survey respondents place the 15 attributes of effective governance into several groups. They are listed from most important to least important, as ranked by survey respondents.

**Fiscal control**
This group ranked as most important is made up of two attributes related to finances and budgeting:

- Financial controls are in place, with standard budgeting, reporting and annual independent audit procedures.
- Station personnel control basic business functions, such as budget, development activities, personnel, membership data and purchasing.

The fact that respondents rated financial attributes as most important underscores efforts by CPB and stations to run fiscally responsible organizations, especially at a time when other non-profits have made headlines for mismanagement of donor resources. In an analysis of public broadcasting in 2001, Standard and Poor’s concluded that public radio is strong in large part because of CPB oversight, including its requirement of an annual audit by every station grantee. In fact, according to CPB, no public radio or television station has ever defaulted or gone out of business. In a business where programming and public service are at the core of decision-making, station leaders have also learned the importance of strong fiscal management.

**Operations**
This second group of attributes continues the theme of getting business done every day:

- Programming decisions made by broadcast professionals are protected from inappropriate intrusion.
- Organization remains stable, even in times of leadership changes or adversity.
- General Manager is able to make decisions with flexibility and speed.
- General Manager’s interactions with governing body are productive and generally contribute to the station’s success.

These operations-related attributes determine how much time and effort have to be spent on the core functions of the station. If they are in place, operations can run smoothly. Taken with the first group of attributes related to fiscal control, the
message from the survey respondents is that they want governance structures that allow them to run efficient, well-managed stations.

**Big picture thinking**
This middle group of attributes moves away from the day-to-day and focuses on a bigger view:

- Station has a meaningful mission statement, appropriate and relevant to its situation.
- Public service to a broad listening community underlies all major decisions with respect to the station made by the governing body or management.
- Station operates with long-term planning rather than through situational or event driven management.

These are attributes that speak to the vision and potential of public radio stations. Respondents think mission stations are somewhat important, yet long term planning – the goal-setting and strategic thinking that shapes how stations achieve mission – rates lower in importance.

**Board functions**
This group of attributes focuses on the effective functioning of boards:

- Board encourages General Manager to be entrepreneurial and take appropriate risks.
- Board members set broad policies and empower staff to carry them out without board interference.
- Board makes decisions as a whole, not allowing small groups or factions to dominate.

The low ranking of the importance of these attributes shows that this aspect of governance is not part of the daily work scope at most stations responding to the survey. For some stations, these attributes are a low priority simply because the governance structure in place does not include working with a board. Respondents from community-licensed stations score these attributes higher than those from university-licensed stations.

**Outreach and fundraising**
Respondents rate as least important the attributes related to community ties and board fundraising:

- All board members make personal contributions to the station – 100% participation.
- Station has a governing or advisory board that provides a direct link to the community of service, facilitating communications and accountability.
• All board members are willing to make in-person visits to potential donors to ask for contributions.

These attributes reflect the power of effective governing bodies in tapping the support and resources of a community and represent the role of the governing body as a conduit for community input and accountability. The low ranking in importance of these attributes shows that respondents are in the early stages of developing these aspects of governance or believe time is better spent on other governance activities.

**Conclusions**
While the groupings show a hierarchy of governance activities, there is an overall pattern that best represents the thinking of the survey respondents. The attributes ranked most important focus on activities that are internal and real-time – decisions on budget and programming, general manager interactions with the governing body, mission statements. The attributes considered less important are external and long term – strategic planning, board fundamentals, connecting to the community. The split reflects an emphasis on daily operations and good management and a lack of focus on relationship-building and outreach activities. It’s somewhat surprising that these activities that can lay the groundwork for increased station significance are at the bottom of the list.
What public radio stations say is most important: financial control, program independence, stability

(Attributes in order of importance)
- financial controls are in place
- station controls basic business functions
- program decisions made without intrusion
- station is stable in times of change
- GM is able to make decisions with speed
- GM interactions with governing body productive
- station has meaningful mission statement
- public service underlies major decisions
- long term planning is the rule
- GM is encouraged to be entrepreneurial
- board sets policies, staff carries them out
- board makes decisions as a whole
- all board members make personal donations
- station has board that is link to community
- board members willing to visit donors

Score above or below survey average for importance
PERFORMANCE

The ranking of station performance on the 15 attributes of effective governance follows the same general pattern as the ranking of importance. While there is some variation, it’s most meaningful to examine the performance results in the context of the importance results, using the same groupings of attributes.

**Fiscal control**
Survey respondents rank these two attributes as most important and as best performing:

*Very strong performance*
- Financial controls are in place, with standard budgeting, reporting and annual independent audit procedures.
- Station personnel control basic business functions, such as budget, development activities, personnel, membership data and purchasing.

These two attributes are far ahead of the others in performance, indicating that survey respondents are spending more time and energy on fiscal matters related to governance. This emphasis on fiscal controls is not surprising, given CPB requirements for annual audits for its grantees and the desire of public radio stations to avoid the kind of fiscal mismanagement seen in other non-profits in recent years. The strong performance shows a growth in knowledge and confidence in fiscal affairs that was not always present in the early days of public radio.

**Operations**
Although this group of attributes that focuses on daily operations ranks high in importance, scores on performance are mixed:

*Strong performance*
- Programming decisions made by broadcast professionals are protected from inappropriate intrusion.
- General Manager is able to make decision with flexibility and speed.

*Moderate performance*
- Organization remains stable, even in times of leadership changes or adversity.
- General Manager’s interactions with governing body are productive and generally contribute to the station’s success.

Survey respondents indicate a strong ability to make programming decisions without inappropriate intrusion – a testament to the growing confidence governing bodies place in the professional judgment of station staff, confidence
built through years of discussion, education and experience. General managers have also seemingly won enough confidence from their governing bodies to make decisions with flexibility and speed, yet survey respondents indicate that performance is below importance on the overall issue of general manager interactions with the station’s governing body. So, while progress has been made on some fronts, there’s room for improvement on others, according to survey respondents.

**Big picture thinking**
This group of attributes that focuses on strategic thinking and vision ranks as somewhat important, but performance is mixed:

*Strong performance*
- Station has a meaningful mission statement, appropriate and relevant to its situation.

*Moderate performance*
- Public service to a broad listening community underlies all major decision with respect to the station made by the governing body or management.

*Poor performance*
- Station operates with long-term planning rather than through situational or even driven management.

Survey respondents place some importance on having meaningful mission statements and think their stations are performing well on this attribute. In fact, the performance rating on this attribute is higher than its importance rating. The performance on public service is also higher than its importance rating. What stands out in this cluster is the poor performance of the long term planning attribute. It has the second biggest gap between importance and performance on the survey. Survey respondents are not putting the time and effort into long term planning that they believe it deserves.

**Board functions**
This group of attributes that focuses on the effective functioning of boards ranks low in importance and performance:

*Moderate performance*
- Board encourages General Manager to be entrepreneurial and take appropriate risks.

*Poor performance*
- Board members set broad policies and empower staff to carry them out without board interference.
• Board makes decisions as a whole, not allowing small groups or factions to dominate.

For many stations, working with boards is not part of the daily work scope, so little time and effort is spent in these areas. That lack of emphasis leads to the poor performance reported on the survey. The interaction between general managers and governing bodies that allows entrepreneurial actions and risk-taking gets a higher rating and again reflects the importance placed on decision-making and daily operations.

**Outreach and fundraising**
Respondents rate the attributes related to community ties and board fundraising as least important and worst performing:

*Very poor performance*
- All board members make personal contributions to the station – 100 % participation.
- Station has a governing or advisory board that provides a direct link to the community of service, facilitating communications and accountability.
- All board members are willing to make in-person visits to potential donors to ask for contributions.

Not all stations deal directly with boards, but even survey respondents from community licensees scored these attributes low in performance. Stations obviously have many opportunities for growth in this area of governance.

**Conclusions**
Performance overall is mixed. The pattern of the performance scores roughly follows the pattern of the importance scores, but there are significant differences. Of particular note is the over-performance of creating meaningful mission statements and the under-performance of long term planning. Performance is strong on attributes related to fiscal control and should remain so, but there are opportunities for increased effectiveness in governance by increasing performance on long term planning and attributes related to board functions and community outreach. While none of the attributes should be ignored, concentrating on the under-performing attributes can provide new infusions of community and board support that can bolster station efforts overall.
Where public radio stations say they perform best: financial control, program independence, mission

(Attributes in order of importance)
- Financial controls are in place
- Station controls basic business functions
- Program decisions made without intrusion
- Station is stable in times of change
- GM is able to make decisions with speed
- GM interactions with governing body productive
- Station has meaningful mission statement
- Public service underlies major decisions
- Long term planning is the rule
- GM is encouraged to be entrepreneurial
- Board sets policies, staff carries them out
- Board makes decisions as a whole
- All board members make personal donations
- Station has board that is link to community
- Board members willing to visit donors

Score above or below survey average for performance
How public radio stations rate performance relative to importance

(Attributes in order of importance)

- Financial controls are in place
- Station controls basic business functions
- Program decisions made without intrusion
- Station is stable in times of change
- GM is able to make decisions with speed
- GM interactions with governing body productive
- Station has meaningful mission statement
- Public service underlies major decisions
- Long term planning is the rule
- GM is encouraged to be entrepreneurial
- Board sets policies, staff carries them out
- Board makes decisions as a whole
- All board members make personal donations
- Station has board that is link to community
- Board members willing to visit donors

Importance minus performance

Difference between importance and performance higher than average
GENERAL MANAGERS VS. STAFF

Sixty percent of the survey respondents are general managers. Their scores on importance and station performance on the 15 attributes of effective governance heavily weight the survey. For the most part, responses from board members, staff members and university administrators follow the same trend line as those from general managers. The most significant difference, however, is that responses from staff members are significantly lower than those of general managers on every indicator, on ratings of both importance and performance.

Attributes related to board functions and community outreach show the greatest difference in responses. Staff members are far less enthusiastic than GMs about the effective functioning of boards or the possibilities for board fundraising and outreach, perhaps because these types of activities are not on the radar screens of all staff members. When comparing general managers and board members, the only notable difference is that board members think attributes related to board functions are more important, and they rate their performance on those attributes higher than GMs do.
Managers and staff rank importance in similar patterns, but with different average values

(Attributes in order of importance)
- financial controls are in place
- station controls basic business functions
- program decisions made without intrusion
- station is stable in times of change
- GM is able to make decisions with speed
- GM interactions with governing body productive
- station has meaningful mission statement
- public service underlies major decisions
- long term planning is the rule
- GM is encouraged to be entrepreneurial
- board sets policies, staff carries them out
- board makes decisions as a whole
- all board members make personal donations
- station has board that is link to community
- board members willing to visit donors

Score above and below survey average for importance

More important to respondents

Less important to respondents
Managers and staff have different views of performance in both average scores and relative rankings of attributes.

(Attributes in order of importance)
- financial controls are in place
- station controls basic business functions
- program decisions made without intrusion
- station is stable in times of change
- GM is able to make decisions with speed
- GM interactions with governing body productive
- station has meaningful mission statement
- public service underlies major decisions
- long term planning is the rule
- GM is encouraged to be entrepreneurial
- board sets policies, staff carries them out
- board makes decisions as a whole
- all board members make personal donations
- station has board that is link to community
- board members willing to visit donors

Score above and below survey average for performance
LARGE VS. SMALL BUDGET

Survey respondents reported the size of their station budget in one of five categories, ranging from below $449,999 to $2 million and above. In comparing responses by budget size, the most dramatic difference comes between the smallest budget size and the largest budget size.

Large budget stations rate all the attributes higher on importance and performance. Large budget stations may simply have more time to think about and work on governance issues, presumably because they don’t face the challenges in daily operations that smaller budget stations do. In general, a large budget station would have more experienced staff, better software and equipment, more division of labor and, perhaps, more community identity. The greatest differences show up in attributes related to board functions and outreach. These attributes are more time consuming and long term than those related to daily operations and could be more challenging for small budget stations.

The differences could also reflect a contrast between smaller market stations that are part of larger institutions versus larger market stations that are community licensees.
Large stations assign higher importance scores than small stations - especially on fundraising

(Attributes in order of importance)
- financial controls are in place
- station controls basic business functions
- program decisions made without intrusion
- station is stable in times of change
- GM is able to make decisions with speed
- GM interactions with governing body productive
- station has meaningful mission statement
- public service underlies major decisions
- long term planning is the rule
- GM is encouraged to be entrepreneurial
- board sets policies, staff carries them out
- board makes decisions as a whole
- all board members make personal donations
- station has board that is link to community
- board members willing to visit donors

Score above or below survey average for importance

-1.50 -1.00 -0.50 0.00 0.50 1.00

Less important to respondents

More important to respondents

< $449,999
2 million +
Large budget stations give themselves much higher marks on governance performance than small budget stations

(Attributes in order of importance)
- financial controls are in place
- station controls basic business functions
- program decisions made without intrusion
- station is stable in times of change
- GM is able to make decisions with speed
- GM interactions with governing body productive
- station has meaningful mission statement
- public service underlies major decisions
- long term planning is the rule
- GM is encouraged to be entrepreneurial
- board sets policies, staff carries them out
- board makes decisions as a whole
- all board members make personal donations
- station has board that is link to community
- board members willing to visit donors

Scores above and below average for performance

Weaker performance

Stronger performance

< 449,999

2 million +
UNIVERSITY VS. COMMUNITY LICENSEES

Stations with different license types do show some differences in their responses, but only on a few attributes. Community licensees are very similar to university licensees except when comparing attributes related to board functions and community outreach.

Community-licensed stations are obviously more likely to interact with governing boards than university-licensed stations are, so their responses on attributes related to board functions and community outreach are higher on importance and performance. Also, community licensees say they perform better in having productive interactions between general managers and the governing body. University licensees report better performance on long term planning and station stability.
University stations place less importance on board procedures, fundraising, and community outreach

(Attributes in order of importance)
- financial controls are in place
- station controls basic business functions
- program decisions made without intrusion
- station is stable in times of change
- GM is able to make decisions with speed
- GM interactions with governing body productive
- station has meaningful mission statement
- public service underlies major decisions
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- board sets policies, staff carries them out
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- station has board that is link to community
- board members willing to visit donors

Scores above and below survey average for importance

More important to respondents

Less important to respondents

Community stations
University stations
University stations and community stations have important differences in how they rate their governance performance

(Attributes in order of importance)

- financial controls are in place
- station controls basic business functions
- program decisions made without intrusion
- station is stable in times of change
- GM is able to make decisions with speed
- GM interactions with governing body productive
- station has meaningful mission statement
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- station has board that is link to community
- board members willing to visit donors

Scores above and below survey average for performance

Community stations
University stations

Weaker performance
Stronger performance
JOINT VS. NON-JOINT LICENSEES

Sometimes the lack of differences is the story. Although joint licensees occasionally cite obstacles in governance that they say don’t exist for non-joint licensees, the survey results show little difference between the two types of stations.

There are a few differences on the importance ranking of attributes related to board functions. Joint licensees rank these attributes as less important. Performance results are nearly identical between joint and non-joint licensees.
Joint TV/radio licensees and other licensees see the importance of governance attributes about the same

(Attributes in order of importance)
- financial controls are in place
- station controls basic business functions
- program decisions made without intrusion
- station is stable in times of change
- GM is able to make decisions with speed
- GM interactions with governing body productive
- station has meaningful mission statement
- public service underlies major decisions
- long term planning is the rule
- GM is encouraged to be entrepreneurial
- board sets policies, staff carries them out
- board makes decisions as a whole
- all board members make personal donations
- station has board that is link to community
- board members willing to visit donors

Scores above and below survey average for importance

More important to respondents

Less important to respondents
Joint TV/radio licensees and other licensees rate themselves about the same on governance performance

(Attributes in order of importance)
- financial controls are in place
- station controls basic business functions
- program decisions made without intrusion
- station is stable in times of change
- GM is able to make decisions with speed
- GM interactions with governing body productive
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Scores above and below survey average for performance