DONOR RECOGNITION: A DONOR / NON-PROFIT ORGANIZATION RELATIONSHIP EXCHANGE

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By

Teresa L. Alvaro

Thesis Committee:

Tom Kelleher, Chairperson
Jennifer Sunrise Winter
Wayne Buente

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ABSTRACT

The research objective of this study was to identify the role public recognition plays in a donor's motivation to give and discuss the equilibrium of rewards versus costs needed in order to sustain a positive relation between individuals at a non-profit organization and individual donors. Major donors to the University of Hawai'i Foundation were interviewed for this study, and answers to the research questions proposed in this study offer a start to a more comprehensive application of communication theory to public recognition. The results of this study show that although the donors felt that it is nice to receive public recognition for their gifts, they don't expect it, and it is not the main factor in determining what motivates them to give. Individual relationships, and reward vs. cost are more likely to play a more definitive role in determining whether a donor continues to donate to the University.

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CHAPTER I

INTRODUCTION

Purpose: The purpose of this research project is to determine the role of donor and non-profit organization relationships by applying social exchange theory to focus on public recognition as a form of social exchange currency.

George Caspar Homans (1910-1989) is widely regarded as the father of social exchange theory. Social exchange theory is derived from the concepts of exchange and relationships. The theory assumes that all human relationships are based on perceived cost-benefit analysis and the comparison of alternatives. It has roots in economics, psychology and sociology. In describing social situations, costs are the negative elements of a relationship, such as the time, money and effort put into a relationship as well as the negatives of a partner. Benefits are the positive elements of a relationship, such as sense of acceptance, support, and companionship.

The Social Exchange Theory viewpoint suggests that people analyze the worth of a particular relationship by determining if the benefits gained from the relationship are greater than the costs endured. If the benefits are greater, then it's a positive relationship. On the other hand, if the costs are greater it is determined to be a negative relationship. People decide whether or not to continue relationships based on worth. Typically, positive relationships tend to last, whereas negative relationships most likely will come to an end.

The Communication Theory of Social Exchange, as explained on the Honors: Communication Capstone Spring 2001 Theory Workbook on the University of Kentucky's website, is a theory based on the exchange of rewards and costs to quantify

the values of outcomes from different situations for an individual. People strive to minimize costs and maximize rewards and then base the likeliness of developing a relationship with someone on the perceived possible outcomes. When these outcomes are perceived to be greater, we disclose more and develop a closer relationship with that person.

Social exchange theory, as applied to philanthropy, is the social relationship of donors and recipients both giving and receiving. Making a gift is not one sided. Donors want to feel they are receiving something for their investment. Donors have various motivations for giving, with both self-interests and interest in the common good. The process of exchange involves the Donor making a donation to the organization. The donor may receive internal benefits from the organization (e.g. feel good for contributing to worthy cause), intangible but externally observable benefits (e.g. public recognition), even tangible benefits (e.g. tickets to an athletic event), in addition to the overarching benefit of a common good. Both parties may perceive the relationship itself as a potential benefit.

Of course not all relationships follow the rules of social exchange. Some relationships are considered communal, wherein benefits of the relationship are given to the partner without the expectation of something in return. In communal relationships, benefits are given in response to a need and out of concern for the welfare of the other person. In such relationships, receiving benefits does not create a specific obligation to return a comparable benefit, as it does in exchange relationships. Clark (2009) states:

> A relationship is communal if at least one partner (and most often both partners) assumes responsibility for the other's welfare without expecting repayments for

benefits given or feeling that benefits create debts. Recipients, likewise, do not feel indebted. Communal relationships are ubiquitous and are often (but not always) exemplified by romantic relationships, friendships, and family relationships. (introductory paragraph)

Communal relationships are generally mutual with both parties giving and receiving non-contingent benefits. These relationships can be symmetrical, with both parties assuming equal responsibilities for one another's welfare, or asymmetrical when responsibility of another's welfare is one-sided as in the case of a parent-child relationship.

The benefits of well-functioning, mutual communal relationships allow partners to share responsibility for each other's welfare and seem to be significant when it comes to maintaining and promoting mental and physical health.

Significance: This study seeks to help the University of Hawai'i Foundations' development staff understand donors' motivations to give and how recognition can be an important factor in their decision making, which could possibly lead to more donors making larger gifts to the organization. It will also help the Donor Relations department to determine what type of recognition and communication is suitable in different situations as proper recognition and communication may lead donors to make future gifts.

LITERATURE REVIEW

The following section provides an overview of social exchange theory and communal relationships that will help explain important concepts related to donor / non-profit organization relationships.

Social Exchange Theory

Chapter II will present the study's research questions, which grew out of this literature review. The development and implementation of the interview questions and research questions will also be described. The next chapter will also provide a brief description of the University of Hawai'i Foundation, since the researcher partnered with the Foundation to conduct this research.

George Caspar Homans (1910-1989) is widely regarded as the father of social exchange theory. Social exchange theory is derived from the concepts of exchange and relationships. It has roots in economics, psychology and sociology. It was developed to explain communication and interaction, as well as the factors governing interaction in humans. The theory assumes that all human relationships are based on perceived cost-benefit analysis and the comparison of alternatives. In describing social situations, costs are the negative elements of a relationship, such as the time, money and effort put into a relationship as well as the negatives of a partner. Benefits are the positive elements of a relationship, such as sense of acceptance, support, and companionship. The core of Social Exchange Theory is best described in Homan's (1958) own words:

> Social behavior is an exchange of goods, material goods but also non-material ones, such as the symbols of approval or prestige. Persons that give much to others try to get much from them, and persons that get much from others are under pressure to give much to them. This process of influence tends to work out at equilibrium to a balance in the exchanges. For a person in an exchange, what he gives may be a cost to him, just as what he gets may be a reward, and his behavior changes less as the difference of the two, profit, tends to a maximum.

(p. 606)

Five propositions of elementary social behavior found in *Elementary Forms of Social Behavior* (Homans 1974) are as follows:

1. The Success Proposition – "For all actions taken by persons, the more often a particular action of a person is rewarded, the more likely the person is to perform that action" (p. 16).

This proposition relates one's action to its success in receiving a positive result. The proposition doesn't say why the person performed the action but that no matter the reason, if it has proved successful, the person will tend to repeat that action. The result of the action is what follows: (1) a person's action, which is followed by (2) a rewarding result, and then by (3) a repetition of the original or similar action. If a person has been rewarded for an action once it is probable that he/she will repeat that action. The probability that he/she will continue to repeat the action will depend on how many times they are rewarded for that action. The proposition implies that the more a person is rewarded for their action, the more they will perform the action but this cannot go on forever. The proposition also implies that the action will be repeated less if it is rewarded less often. The less time it takes to reward the action, the more likely the person will be to repeat it. If the person is to repeat the action it will also depend on the how often the reward is received. For a given total number of rewards within a given period of time, a person will repeat an action less frequently if he/she is rewarded regularly than if he/she is rewarded irregularly for example in gambling, fishing, or hunting.

2. The Stimulus Proposition

> If in the past the occurrence of a particular stimulus, or set of stimuli, has been the occasion on which a person's action has been rewarded, then the more similar the present stimuli are to the past ones, the more likely the person is to perform the action, or some similar action, now. This proposition concerns the effect on action of the circumstances attending it. (p. 22)

The appearance of some object we have desired and obtained in the past is a stimulus to try to obtain it again. "It is the sight of the object, not the success in obtaining it, that is the stimulus" (p. 23). This proposition is saying that one will probably repeat an action wherein he/she sees the recurrence of a situation that resulted in a positive action. "Thus a fisherman who has cast his line into a dark pool and has caught a fish becomes more apt to fish in dark pools again" (p. 23). The key variable in the stimulus proposition is how similar the stimuli are in the current situation to those in which an action was rewarded in the past. The correlation between the stimuli and the action is subject to both generalization and discrimination.

3. The Value Proposition: Reward and Punishment – "The more valuable to a person is the result of his action, the more likely he is to perform the action" (p. 25).

Example:

> A man inexperienced in his job is likely to find some amount of advice about how to do the job more valuable than the result of just doing the job without advice. Therefore an inexperienced man is more likely to try to get some advice than to do his job without it. (p. 36)

The variable, value, can be either positive or negative. The results of actions with positive values are considered rewards whereas results of actions with negative values are considered punishments. The proposition implies that a person is more likely to perform an action as the positive value of the reward increases however, would be less likely to do so if there was an increase in the negative value of the punishment.

4. The Deprivation-Satiation Proposition – "The more often in the recent past a person has received a particular reward, the less valuable any further unit of that reward becomes for him" (p. 29).

A person can become satiated with a reward if it has been received too often. The value of the reward decreases and the person is less likely to perform the action to receive the reward. On the other hand, if a person experiences a particular type of reward only on occasion, they are said to be deprived of the reward. The value of the reward increases and the person is more likely to perform the action to receive the reward. In general, if a person becomes satiated with a particular reward, he will consider all other rewards more valuable.

5. The Aggression-Approval Proposition

   a. When a person's action does not receive the reward he expected, or receives punishment he did not expect, he will be angry; he becomes more likely to perform aggressive behavior, and the results of such behavior become more valuable to him. (p. 37)

"The more to a man's disadvantage the rule of distributive justice fails of realization, the more likely he is to display the emotional behavior we call anger" (p. 75).

b. When a person's action receives reward he expected, especially a greater reward than he expected, or does not receive punishment he expected, he will be pleased; he becomes more likely to perform approving behavior, and the results of such behavior become more valuable to him. (p. 39)

Homan's description of social behavior is an exchange of material and nonmaterial (e.g., symbols of approval and prestige) goods. For an individual involved in social exchange, what he/she gives may be a cost to him/her, just as what he/she gets may be a reward, and his/her behavior is less likely to change as reward less cost, increases. But individuals involved in an exchange relationship also expect to receive as much reward from the other as they give to them. In other words, they expect there to be a somewhat evenhanded exchange of rewards and costs between individuals. Homans (1961), describes the rule of distributive justice as follows:

A man in an exchange relation with another will expect that the rewards of each man be proportional to his costs—the greater the rewards, the greater the costs—and that the net rewards, or profits, of each man be proportional to his investments—the greater the investments, the greater the profit. (p. 75)

The Social Exchange Theory viewpoint suggests that people analyze the worth of a particular relationship by determining if the benefits gained from the relationship are greater than the costs endured. If the benefits are greater then, it's a positive relationship. On the other hand, if the costs are greater it is determined to be a negative relationship. People decide whether or not to continue relationships based on worth. Typically, positive relationships tend to last, whereas negative relationships most likely will come to an end.

Communal Relationships

Of course not all relationships follow the rules of social exchange. Some relationships are considered communal, wherein benefits of the relationship are given to the partner without the expectation of something in return. In communal relationships, benefits are given in response to a need and out of concern for the welfare of the other person. In such relationships, receiving benefits does not create a specific obligation to return a comparable benefit, as it does in exchange relationships. Clark (2009) states,

> A relationship is communal if at least one partner (and most often both partners) assumes responsibility for the other's welfare without expecting repayments for benefits given or feeling that benefits create debts. Recipients, likewise, do not feel indebted. Communal relationships are ubiquitous and are often (but not always) exemplified by romantic relationships, friendships, and family relationships. (introductory paragraph)

Communal relationships are generally mutual with both parties giving and receiving non-contingent benefits. These relationships can be symmetrical, with both parties assuming equal responsibilities for one another's welfare, or asymmetrical when responsibility of another's welfare is one-sided as in the case of a parent-child relationship.

There may be selfish or unselfish reasons for maintaining a communal relationship. For example, one might care for an elderly relative out of sense of responsibility and to avoid feeling guilty for not providing care. On the other hand one may feel empathy for another person and respond communally as a result. Whatever the motive may be to adopt a communal norm selfish or unselfish, once it is adopted, the

norm states that benefits will be given to the partner non-contingently for the benefit of the other's welfare. According to Clark (2009), "It is the adoption of a communal norm for a particular relationship and adherence to that norm that defines a relationship as a communal one."

Communal and exchange relationships can be either short or long term. Some communal relationships can be a one-time occurrence for example when one tells a stranger the time without expecting anything in return. While other communal relationships last a long time such as marriages, parent-child relationships, and friendships.

People organize their communal relationships hierarchically with the strongest relationships with children, a spouse or partner, parents, or a best friend on top, moderate relationships with other friends and family in the middle, and weak relationships with passing acquaintances at the bottom. People also feel responsible for their own selves so they fit into the hierarchy above most others that they have communal relationships with but they still may consider a partner's welfare before their own. It is one's hierarchy of communal relationships that determines whose needs will take precedence in the event of partner and self needs arising at the same time.

To paraphrase Clark (2009), when assuming responsibility for another's welfare the nature of communal responsiveness encompasses a broad range of behaviors such as providing concrete help, emotional support, encouragement to reach a desired goal, restraining from acts that could possibly harm the partner, include partner in enjoyable activities, and provide partner with symbolic signs of caring (The Nature of Communal Responsiveness).

Intertwined motivations and abilities are necessary to provide and receive communal care from a partner for a successful communal relationship. One must be motivated to provide communal care through empathy or desire for a communal relationship. This requires focusing on, understanding, accepting, and providing care for the partner. On the other hand, one must be responsive to and be comfortable with depending on a partner. They must be able to accept care, ask for care, self-disclose, and express emotions to one's partner.

High trust in partners is important to successful communal relationships as it is linked to the ability to shift the focus of attention from seeking help from and providing help to one's partner when necessary. Low trust leads to reluctance to give help or to accept help from one's partner non-contingently.

The benefits of well functioning, mutual communal relationships allow partners to share responsibility for each other's welfare and seem to be significant when it comes to maintaining and promoting mental and physical health.

Social Exchange / Communal Relationships Applied to Philanthropy

Social exchange theory, as applied to philanthropy, is the social relationship of donors and recipients both giving and receiving. Making a gift is not one sided. Donors want to feel they are receiving something for their investment. Donors have various motivations for giving, with both self-interests and interest in the common good. The process of exchange involves the donor making a donation to the organization. The donor may receive internal benefits from the organization (e.g. feel good for contributing to worthy cause), intangible but externally observable benefits (e.g. public recognition), even tangible benefits (e.g. tickets to an athletic event), in addition to the overarching

benefit of a common good. Both parties may perceive the relationship itself as a potential benefit. For individuals it is considered a good quality to reciprocate, whereas organizations have the social responsibility of reciprocating. According to Kelley (1998), "In short, when donors make gifts, the organization receiving the gift must reciprocate" (p.434). Charitable organizations must reciprocate with acts of appreciation and recognition to keep the philanthropic exchange in balance and to strengthen the relationship between the organization and donor.

One of the main distinctions between exchange relationships and communal relationships is the norms that govern the giving and acceptance of benefits. Clark and Mills (2011) define the term benefit as "something one member of a relationship chooses to give to the other that is, in the donor's opinion (and typically in the recipient's and outside observers' as well), of use or value (p. 233). Benefits can take many forms; goods and services, compliments, provision of information, supporting a person reaching a goal as well as sentiments like cards or flowers may all be considered benefits. However, benefits are not the same as rewards. According to Clark et al. (2011), the term "reward" refers to all pleasures, satisfactions or gratifications that the recipient might enjoy" (p.233). In exchange relationships both parties expect the exchange of benefits to be of a comparable value for example in a business relationship.

Communal relationships differ in that the benefits given are non-contingent, in other words, given without the expectation of receiving something of equal value in return. Examples of communal relationships would be relationships with friends, family, romantic partners, and spouses.

Communal and exchange relationships can be either short or long term. Some communal relationships can be a one-time occurrence for example when one tells a stranger the time without expecting anything in return. While other communal relationships last a long time such as marriages, parent-child relationships, and friendships.

Donor Relations and Stewardship

Greenfield (1991) said the purpose of donor relations is to thank those who have made gifts and to "establish the means for continued communication that will help to preserve their interest and attention to the organization" (p. 148). According to the Association of Donor Relations Professionals ("ADRP") website, the definition of donor relations is, the comprehensive effort of any nonprofit that seeks philanthropic support to ensure that donors experience high-quality interactions with the organization that foster long-term engagement and investment. This effort is commonly thought to have four elements—***gift acceptance and management***, ***acknowledgment***, ***donor recognition***, including events, and ***reporting***—that together support the acquisition and retention of donors.

This study will focus on the third element, donor recognition, specifically public recognition, and how recognition plays a role in a donor's decision to make a gift to a non-profit organization, in this case, the University of Hawai'i Foundation. Donor recognition takes into consideration donors' preferences and the organization's culture and values.

Recognition is the public form of donor acknowledgment, and ranges from activities that are automatic organizational responses to giving, such as giving societies, to those that are undertaken with the involvement of the donors, as is the case with named

space signage. Examples of recognition programs found on the ADRP website include: giving societies and honor rolls; donor walls and named space signage; donor profiles in publications such as newsletters, magazines and annual reports, as well as their online counterparts, and external publicity such as press releases, are also very public forms of recognition; and donor recognition events, awards, mementos and volunteer engagement opportunities.

Recognition showcases an organization's manner and appreciation and shows good stewardship. It reflects on thoughtfulness and attentiveness to the donors. According to Kelly (1998) "Most forms of recognition also are used as incentives for giving (i.e., they are incorporated in programming to suggest gift levels) (p. 436). Appendix B, UHF Donor Stewardship Plan for Individuals, is an example of what donors may receive at different gift levels with the next level up receiving not only the benefits for their level of giving but for the lower levels of giving as well therefore, the top donors would essentially receive all benefits on the chart. Recognition for major gift donors takes many forms from plaques, to parking, to naming opportunities. Naming opportunities are widely used as a form of recognition because, as Lord (1983) pointed out, naming opportunities are used to provide "tangible and public recognition for major investments" (p. 57). The promised recognition may be a motivating factor in a donor's decision to make a major gift. Appropriately recognizing donors is one of the most important things a non-profit organization can do to ensure the donor / non-profit organizational relationship is a positive one.

Background on Donor Relations Office at UH Foundation

The Office of Donor Relations and Special Events at the UH Foundation is responsible for donors and for building a culture of stewardship throughout the Foundation and the University of Hawai‘i community. The purpose of the Office is to fulfill the expectations established by the Donor Bill of Rights (see Appendix C).

The Donor Relations team at the Foundation manages all stewardship activities and represents the interests of major donors to all ten campuses of UH. The Donor Relations team works with the Foundation’s fundraisers and UH personnel to ensure that donors are thanked in appropriate, distinctive, visible and memorable ways and are informed about how their gifts are being used. The Donor Relations team helps to strengthen and sustain the Foundation’s reputation for integrity, responsibility, caring, and prudent management of private gifts.

The Special Events Office plans and implements all special events hosted by the Foundation central office. These include donor gift club recognition receptions and dinners as well as campaign roll-outs and kick-offs and other events as directed by the president of the Foundation. In addition, the special events staff assists other Foundation units in the strategic planning, budgeting, negotiating, organizing, and coordinating of special events that benefit the Foundation and UH.

The Donor Relations team engages in the following activities to support development staff and academic leadership in the stewardship process. They ensure that the intent of the gift is observed and the donor’s interests are represented. When in question, they help determine intent of the donor in making gifts. They prepare gift agreements and interface with unit leadership and unit development staff to develop and

implement a stewardship plan for each major gift donor to the unit. They coordinate the preparation and mailing of annual reports to endowment donors, oversee all activities for the giving programs, including benefits packaging and distribution, certificates and donor presentations, special stewardship activities, as well as working with the UHF Information & Technology Services department to ensure accurate gift club membership records are maintained. They coordinate with the Annual Giving Department and the Office of Estate and Gift Planning to ensure coordinated stewardship efforts among gift-club level donors. Donor Relations work with Special Events to plan and conduct annual or bi-annual donor recognition and cultivation events for high level gift clubs. The magnitude and prestige of these events attracts larger gifts from donors seeking to attain membership in any one of the Foundation's gift clubs. They review data to identify newly qualified members of high level gift clubs and identify donors who are nearly qualified so an appropriate volunteer or Foundation staff member can invite them to membership. They oversee notification of next-of-kin when memorial gifts are made and work with next-of-kin as needed to assure that the memory of their loved one is properly honored by the Foundation and UH. The Donor Relations Department is in place to establish a structured, systematic program of stewardship at the Foundation that will outlast changes in staff and ensure perpetual cordial relations with donors. They prepare and mail all acknowledgement letters sent to donors who have made gifts of $1,500 or more by the UH Foundation president and all acknowledgement letters sent to donors who have made gifts of $10,000 or more by the UH System president. They notify donors when their pledge payments are due and assist UH and Foundation staff as needed to ensure that donor funded accounts are being used and being used appropriately.

Background on Special Events Office at UH Foundation

The Special Events team has experience in assisting in a variety of special events: Donor recognition events that recognize the Foundation's largest donors and give them unique experiences that highlight the university's excellence and the impact of their gifts. Annual Giving and Special Events organizes donor events to honor and formally recognize annual donors to UH. They provide opportunities to highlight points of excellence within the 10 campuses of the UH System and commit to higher levels of giving. The Office of Estate and Gift Planning hosts presentations to encourage donors to consider making planned gifts in their estates. Special Events provides logistical support for these events. In addition, Heritage Society members are included in appropriate donor recognition events mentioned previously. Working with Donor Relations, Special Events handles logistics for gatherings that honor specific donors. Usually this is where a gift is particularly generous and/or the donor's recognition may spur others to give. Gatherings of donors and prospects are sometimes scheduled in conjunction with the UH and Foundation presidents' travel. Special Events supports the events in which both the UH and Foundation presidents are involved and functions held at College Hill. Special Events is available to provide support or guide the unit development officers as needed on an individual needs basis which includes but not limited to: creating budgets, logistics support & resources.

CHAPTER II

RESEARCH QUESTIONS

The purpose of this study is to determine the role of donor and non-profit organization relationships by applying social exchange theory to focus on public recognition as a form of social exchange currency.

I partnered with the University of Hawai‘i Foundation to conduct this research. According to its website, the University of Hawai‘i Foundation was established in 1955 to encourage private support for the University of Hawai‘i. Today, it is the central fundraising organization for the UH System providing a range of professional fundraising services to all 10 UH campuses, in addition to managing more than 3,400 gift accounts for the benefit of the university and its students.

The UH Foundation is a private, institutionally related corporation designated as a 501(c)(3) organization by the Internal Revenue Service. It is a legally separate entity from the University of Hawai‘i, the UH Alumni Association, and all other UH affiliates. However, the Foundation works closely with these organizations as well as with others in the community exclusively for the benefit of the university.

The vision of the Foundation is to inspire giving and partnership with the University of Hawai‘i by fostering UH pride and passion among donors, alumni and the community. Its mission is to unite donors' passions with the University of Hawai‘i’s aspirations by raising philanthropic support and managing private investments to benefit UH, the people of Hawai‘i and our future generations. The Foundation’s values are service, excellence, integrity, trust, teamwork and accountability.

Fiscal year 2009 marked the successful conclusion of the Foundation's Centennial Campaign--a seven-year fundraising effort to raise $250 million. By June 30, 2009, more than 90,000 donors had contributed $282 million. With bequest intentions of $54 million, the Centennial Campaign raised $336 million – the largest campaign ever in the state of Hawai'i.

To learn from this campaign and build on its success, the Foundation asked its development officers to interview Centennial Campaign donors who had contributed $25,000 or more. Of the 222 individuals and family foundations that were on the target list, UHF staff members were able to interview 91 individuals between October 2009 and February 2010. Most of these interviews were conducted in person.

This process was helpful in better understanding the Foundation's donors, identifying problems and resolving them if possible, starting conversations about possible new gifts, and continuing to build the relationships with our most loyal and generous supporters.

Building on this previous study I conducted qualitative interviews to gather information more specific to donor recognition to answer the following research questions:

RQ1: What specifically motivates/influences major donors to give? What are the important factors? (e.g. member in donor recognition society, press releases, public acknowledgment at event, donor walls, kiosks, custom awards, plaques, certificates, gifts, displays, programs, signage, events)

RQ2: What is the role of public recognition in the social exchange between donors and the Foundation?

METHOD

Interview Guide

The methodological instrument used for my research is the long qualitative interview. The long interview allowed me to glimpse into the minds of those I interviewed to give me a better understanding of their perspective of their own relationship with the Foundation. The long interview is a valuable means of inquiry when time and privacy are of concern. According to McCracken, *The Long Interview* "allows us…to achieve crucial qualitative objectives within a manageable methodological context" (p. 11). The long interview is designed to help the researcher collect and manage copious amounts of data without taking advantage of the respondents.

The goal of qualitative research is to segregate and define analytic categories that may change during the course of the research project. Qualitative research looks at the patterns of relationships between those categories. According to McCracken,

> How many and what kinds of people hold these categories and assumptions is not, in fact, the compelling issue. It is the categories and assumptions, not those who hold them, that matter. It is more important to work longer, and with greater care, with a few people than more superficially with many of them. For many research projects, eight respondents will be perfectly sufficient. (p. 17)

Unlike quantitative research where a paper or electronic survey is used as an instrument to collect data, in qualitative research, it is the investigator who becomes the instrument in the collection and data analysis process. The investigator must draw on his or her own experiences to see how patterns emerge from the data. The diversity of

characteristics of the investigator is used to compare and analyze the data until similarities emerge.

The use of a questionnaire by the investigator is essential in the long qualitative research interview process. The questionnaire helps to ensure that the investigator asks the same questions to the respondents in the same order and allows the investigator to give all of his or her attention to the respondent's statement. McCracken points out, "the questionnaire protects the larger structure and objectives of the interview so that the interviewer can attend to immediate tasks at hand" (p. 25).

In the investigator/respondent relationship, the investigator must maintain a sense of balance between formality and informality. The investigator should present themselves in a professional manner while at the same time be able to establish a "connection" with the respondent. This will allow the investigator to ask personal questions out of professional courtesy and reassure the respondent that the investigator understands where the respondent is coming from.

According to McCracken, "The respondent in a qualitative interview is subject to several risks. Participation in qualitative interviews can be time consuming, privacy endangering, and intellectually and emotionally demanding" (p. 27). However, the qualitative interview may offer the respondent benefits as well. It gives the respondent the rare opportunity to speak uninterrupted with someone on the other end of the conversation listening readily to whatever the respondent has to say.

Data Analysis

The analysis of qualitative data is very complex and demanding. In order to ensure an accurate analysis of the data first, the interviews must be recorded then, a verbatim

transcript of the interview testimony must be created. McCracken states, "The object of analysis is to determine the categories, relationships, and assumptions that informs the respondent's view of the world in general and the topic in particular and the determination of patterns of inter-theme consistency and contradiction" (p. 42).

Administration

For my research purposes I used the long qualitative interview to collect data by interviewing eight respondents. The eight respondents I interviewed were all major donors to the University of Hawai'i Foundation. Major donors for this study are defined as those donors who have given an outright gift of $25,000 or more or who have made a bequest of $25,000 or more to the University of Hawai'i Foundation. I used a questionnaire to structure the interviews to determine how the donors perceive their relationship with the Foundation and to see if I could detect any common themes on what topics interviewees converge/diverge on. I interviewed the respondents in the setting of their choice. Six of the interviews were conducted in an office setting, one was at a respondent's home and one was at a restaurant. In all cases I dressed and conducted the interviews in a professional manner. I tried to establish a relationship or connection with each of the respondents to make them feel comfortable while asking them personal questions. When interviewing the respondents, I asked general questions and gradually moved to more specific questions. I used open-ended questions and attempted to draw responses on topic without leading the interviewee. I listened attentively to the respondents so they could feel free to elaborate their responses without interruption.

1.1 Table of Interviewees

Interviewee	Ethnicity	Gender	Description	Type of Gift
1 (I1)	Caucasian	Male	Businessman	Deferred
2 (I2)	Caucasian	Female	PHD	Deferred
3 (I3)	Caucasian	Female	Retired Faculty	Deferred
4 (I4)	Filipino	Female	Retired Faculty	Outright
5 (I5)	Caucasian	Female	Retired Faculty	Outright
6 (I6)	Caucasian	Female	Retired Faculty	Outright
7 (I7)	Caucasian	Male	Alumnus	Outright
8 (I8)	Okinawan	Male	Businessman	Outright

Interview questions are as follows:

1. How did you come to decide to make a gift to the University of Hawai‘i Foundation (UHF)?
2. What was the key motivating factor for making your largest/most recent gift to UHF?
3. Was there anyone influential in your decision to make this gift? (encourage elaboration)
4. How would you describe your relationship with UHF?
5. What role does recognition play in a donor’s decision to make a gift?
6. Have you received recognition from UHF for your past giving? How did you feel about it? (encourage elaboration)

7. Did that recognition influence your decision to give again or make a larger gift? (allow for speculation about future giving)
8. How do you think public recognition of your gift plays a role in other donors' decisions to make a gift to UHF?
9. Have you ever made an anonymous gift? If so, how was that vs. being publicly recognized?
10. What type of recognition would you like to receive for your donation to the university?
11. How do you feel about donor recognition societies? Have you had experience with them or know others who have?
12. Are the benefits of donating greater than the costs?
13. Is your relationship with UHF a positive relationship worth continuing?
14. Is there anything else you would like to add?

CHAPTER III

RESULTS

Research Question I Categories

Relationships:

One category that donors seemed to converge on was the relationships they have with people at the Foundation or at the University and that those relationships are a main reason for their giving. In most cases they talked about the development officer whom they worked with and the relationship they had with that person. When I asked how they came to decide to make a gift to the Foundation, the first person I interviewed (I1) immediately said the name of a development officer at the Foundation and described how he started a friendship. When I asked if there was anyone influential in his decision to make a gift, again, the donor said the development officer's name and added "without a doubt."

It was the relationship that a donor (I2) had with her oncologist that motivated her to donate to the Cancer Center. She had also developed relationships with some of the development officers at the Foundation who made it easier to donate by explaining to her the various ways of donating. In her case it was through a trust. She said that simplicity was a key motivating factor in making the gift. The Foundation made it easier, the legal aspects to simplify the trust. One of the benefits for her in making the gift was meeting the people at the Foundation. She said, "I have a lot of new friends and acquaintances". A graduate of UH (I7) claimed that the folks in the ICS Department at the University along with one of the development officers at the Foundation were influential in his decision to make a gift.

One of the donors (I5) described her relationship with the Foundation and said it has to do with her relationship with the development officer. She said, "I know several of you here but if I have a questions or want information or if I get a brainstorm she's the one that I contact. She and I have become friends." She also refers to two other Foundation employees as being influential in her decision to donate to the Foundation. Another donor (I6) also mentioned that she has quite a few friends at the Foundation when asked about her relationship with UHF.

Other motivating factors:

Another motivating factor for donating to the University for half of the donors I interviewed is that they are retired faculty of the University of Hawai'i. They believe in the University and feel that they should support it. One of the retired faculty members was also a graduate student at UH (I4). She thought about giving back to the younger generation because she remembered when she was a student and was the recipient of several awards from donors at the time which helped her to be able to travel as a graduate student in the U.S. to present a paper at various conferences. The key motivating factor for her was the recognition that education is not only important but essential to ones mobility and advancement in life and she thought that to the extent that she could help students or junior faculty or visiting professors to pursue their goals relative to their careers in higher education that would be a good contribution to society. She states, "That was I think what motivated me is to help institutions to advance the cause of higher education particularly in ones chosen career and students particularly." The alumnus (I7) who graduated with a degree in Information and Computer Sciences from UH continued to work in the field that he had studied while there and felt that what he had learned was

beneficial to his career and since he had adequate finances, he thought it would be a good idea to give back. One of the faculty members (I3) claimed, "Two things were real important to me. One is the community colleges in general because I think they're the only post secondary institution that is there for everybody and so it was important to me to do something through the community colleges and then within that realm the idea of doing something to help people who would need remediation when they come to the community colleges."

In some instances, donors gave in part to receive tax benefits, although they claim this is not the single motivating factor for their donation. The same faculty member above (I3) stated, "You're not giving the gift to get the tax break. That's not your major thing. Your major thing is helping whoever it is you're giving the gift to but it's nice to know that you can get a tax break." She could see the value of being a 501(c)(3) and how that impacts peoples' giving. Another faculty member (I5) mentioned that she was not worried about the taxes.

In other cases, the donors wanted to honor or memorialize family members by donating to the Foundation. One donor (I6) donated for the purpose of honoring her sister's memory and supporting the things that her sister believed in. This particular donor wanted the recipients of the scholarship to have information about her sister and the significance of her life. She provided biographical information to be included in the gift agreement in the hopes that recipients of the fund would get to know something about her. She states, "It's a memorial scholarship and I also think the recipients are presumably going into careers that are related in some way and I think it's nice for them to know about the people behind what they've received." The Foundation has since

revised our gift agreement process to make sure that we obtain a photo and biographical information for the donor or the honoree of the fund. This communicates to future generations who these people are and the reason or motivation for their gift. It also gives the Foundation information to do press releases or other types of communication pieces such as website stories or stories in annual reports and/or newsletters. Another donor (I8) gave to honor his parents. He said that education was very important to them and he wanted to find a way to show his appreciation to them. So as an expression of appreciation to his parents, he and his brothers and sisters established an endowed fund in their parent's name.

All of the donors I interviewed established endowed funds either in their own names or family member's names to ensure that they would continue on in perpetuity. This is a form of recognition in itself as the beneficiaries of the funds will hopefully know something about the donor or honoree and what is important to them.

Research Question II Categories

Recognition:

The first interviewee (I1) responded, "If you are willing to accept unequivocally that every person, except once in a while an anonymous donor, has a need to be fulfilled. Donors making contributions have specific needs, many alternatives, some sponsoring education, some loyal to the institution they graduated from. Boil it down; every person who makes a contribution, except anonymous donors, would like recognition." That's interesting to me because I found that most of the other donors I interviewed converge on the fact that it's nice to get recognition for their gift but they don't expect it and that's not the reason they made the gift. As one faculty member (I4) mentioned, "I don't think that

we as donors are expecting any kind of recognition from the public or anything. I think people donate because they like to help out. They feel their life is more meaningful if they have this kind of ability to contribute."

I also found it interesting that they all seemed to think donor recognition mattered to somebody else. One donor (I6) stated, "In my case I don't need it in the sense of making me feel important. In terms of publicity about me as a donor that's not important to me. It might be important to others." Another (I8) mentioned, "Some people would do it because they want the recognition. For me, I want the recognition of my parents but not for me."

When I did get to the question about what role public recognition plays in a donor's decision to make a gift most of them said I can see that some people would do it for recognition because they need to feed their ego or they want their friends to know about it but most of the people I interviewed were pretty modest and said that's not something they did for the recognition. One retired faculty member (I3) said, "The recognition to me is a nice side benefit but it's not the reason why I made the gift."

A couple of the donors brought it back to relationships. The first donor I interviewed (I1) felt his recognition was very personal and he developed friends and close relationships with people who he wouldn't have known otherwise. The second (I2) said that for the longest time recognition didn't make any difference but this last year she's really appreciated it and getting to know people at the Foundation.

Donor Recognition Societies:

One form of recognition that a few of the donors seemed to converge on is public recognition through donor recognition societies by attending special events and learning

more about the university. The second interviewee (I2) stated, "I'm enjoying public recognition, mainly because I learn something. I've been enjoying the things at the university very much." The third (I3) replied, "It's certainly nice to have events every once in awhile that in essence let you know somebody recognizes that I did do something nice for the University. Not a necessary thing but a nice thing that those kinds of events have. Donors may get to experience something they might otherwise not have known about the University. It's giving you a chance to know more about whichever parts of the University of that given event and you realize that the other people that are there have also given to the University so that you know you share a certain attitude with those people so I think that's good."

Some donor societies are based on annual giving, in which you may be considered a member in a particular year based on your annual gifts whereas other are based on cumulative giving, where once you've hit a certain threshold, you are a lifetime member of that society. According to the third interviewee (I3), it would be of advantage to the Foundation to keep in contact with the donors who may fall in and out of the annual giving society by sending a quarterly newsletter or something that just says we just wanted to let you know what else is going on and maybe something would catch your eye.

Interviewee four (I4) feels that the Foundation should explore ways to give recognition to people who donate in a way to say that the Foundation is in existence because of groups that donate and use it to publicize it so that other people get to know about funding and are encouraged to do that. She states, "Be more proactive in promoting benefits. You just don't give for nothing. Everything has to be induced from

a certain perspective." This brings it back to the benefits that may motivate donors to give.

Some of the donors revealed that they have had little experience with donor recognition societies and that it is not that important to them. The UH alumnus (I7) I interviewed was visiting from the mainland. He said it was not important to him to receive invitations or tickets to games or special events since due to the distance he is typically unable to attend. However, he did go on to say that he once attended the departments 40th anniversary dinner which they had let him know about far enough in advance that he was able to schedule his vacation at that time and was able to make it to the luncheon.

Private gifts are critical to the health of any public university. They build on state support, and provide the university with the means to do more — offer more scholarships, conduct more research, and take advantage of academic opportunities that might otherwise be missed. The UH Foundation's donor recognition clubs exist to honor and thank the visionary philanthropists who have invested in our collective future.

The Hoku Club is the Foundation's top donor recognition society acknowledging the university's philanthropic stars. Individual and corporate donors of $1 million or more comprise this most exclusive group of philanthropists to the University of Hawai'i.

The Founders Club furthers the pride and esteem of the university community and recognizes the university's most generous individual donors whose cumulative lifetime giving to any campus or program at the University of Hawai'i has surpassed $100,000. Founders' Club donors give to a variety of areas including endowed academic chairs,

student scholarships, start-up capital for research institutes and discretionary funds for academic leaders.

Members of the Heritage Society are among the University of Hawai‘i's most important constituents. Founded in 1998 the Heritage Society honors alumni, faculty and friends who have used charitable estate and gift planning to give to the University of Hawai‘i.

Role of Public Recognition:

Interviewee three (I3) commented, “There’s nothing more powerful than testimony from another donor. When it’s somebody who already made a gift and is talking about here’s why I made it, here’s why I’m glad I made it, here’s why I think you might want to make a gift too.” It’s different hearing it from another donor than someone at the Foundation when that is their job. This donor was asked to speak at an event about the gift she made to try to encourage other people to think about that kind of thing. She felt this not only recognizes the donor but influences others to donate as well. This two way communication not only gets the story out to other donors but is also a form of recognition for the donor telling the story. A couple of other donors feel the same way and have said that if the Foundation wants to use their name or their story to incentivize other donors then the Foundation should feel free to do so.

Also, some of the donors feel that just raising awareness of the multiple ways that people can and do support the university may help others to want to do that especially when it comes to faculty giving. One of the retired faculty members (I4) believes that institutional gifts like hers should be highlighted to be made known to other people. She feels that if a good portion of faculty were to give that we could advance more

collectively as a university. She feels administration should promote this more and give more recognition in the area of faculty giving. Another retired faculty member (I6) stated, "People should put in the minds of faculty that it would be very helpful for them to support the university not just with their labor but with their support. I think publicizing gifts of faculty to faculty would be a positive thing. Again, just building that climate of awareness of giving." This can be done not only through publications but through recognition events such as the retired faculty luncheon where the donors are publicly recognized along with their fellow peers.

A third retired faculty member (I5) mentioned that she did not contribute at all before she retired. She felt that the University was paying her and if she was going to give back some of that money it seemed wrong somehow but now that she's retired she feels that the state is paying her rather than the University so now she can give back.

Recognition Donors Would Like to Receive:

Some donors mentioned they would like to see their donations being recognized for a greater cause then just recognition to them. Interviewee one (I1) stated, "I do want there to be a very significant recognition because that recognition plays back to the advantage of the Foundation and it sets the course where that money is going and the people that it's going to assist." Interviewee four (I4) feels that incentivizing or encouraging other people to be more caring, more sharing with whatever they have to share is recognition enough. It's the promotion of the giving culture so that the goals of higher education can proceed along with donors' preferences.

Donors would also like to receive information regarding their investment and the beneficiaries of the gift. One if the businessmen (I8) mentioned that he would like to

receive information as to how well the investments have gone and information as who received it and was it appreciated. He states, "I want to know that my investment is working and working well. Rather than having my name in the paper maybe the person who did well who received the award. Get that person's name in the paper. Then I would look at it and say oh yeah, maybe we helped him achieve whatever he wanted to achieve. That's a result and it's worth it. He's happy so we're happy. That's the way I look at recognition." This is done through communication pieces such as the annual report and annual endowment report. The Foundation also holds an investment seminar annually for donors and stewardees of endowed funds. Chancellors, Deans and Directors as well as other members of the UH community are also invited to attend.

A faculty member (I6) commented that the information the Foundation sends is good but what she'd also like to know is what previous recipients are doing with themselves now. She thinks it would be the most meaningful to be able to make a direct connection between the impact of the gift and the people that are being affected by it. Being able to meet the recipients of the donation and receive personal communication from them regarding the impact the donation has made in their life is also an important part of donor recognition. The UH alumnus from the mainland (I7) claims, "I think that's the best way. You get to talk to the people who are directly benefitting from your gift and you get to find out the impact of your gift and I think just sitting down and having lunch with the chair or dean because they don't always take the time out to do that for everybody because they don't have the time to do that. That type of recognition is good."

Donors also want reassurance that their gifts are being used wisely and in accordance with the purpose for which they were given especially when hearing news

about misspending by the University. One of the retired faculty members (I4) stated, "The Foundation must build a measure of confidence within the internal unit itself by having measures to see to it that what you're getting from your funder is wisely spent by having good procedures, techniques so that you're able to keep track of your expenses." Another retired faculty member (I5) was grateful because she knew that she had donated to specific kinds of things and the University was not able to do anything else with her donation except for what she had specified.

Another form of more personalized communication is through acknowledgment of the gift. Some of the donors felt that acknowledgment is a form of recognition that should definitely not be taken for granted. One of the donors I interviewed (I3) mentioned that she had donated to six different charities and that one of the charities failed to send her a thank you letter. She said, "I received nothing and it just is eating at me." She couldn't believe it. She even wanted to write a letter to the head of that charity to tell them about it. Needless to say, she has not donated to that charity since. She feels that anybody in any kind of organization acknowledging gifts is really important. Another donor (I5) was upset by the type of acknowledgment she had received from the Foundation. It was in the form of an email and that didn't sit well with her in regards to the amount of donation she had made. In the end, the Foundation ended up changing its policy to not send email acknowledgments for any gifts of $10,000 or more. Originally an unhappy donor, she was glad that the policy was changed due to her situation and recommendation. A couple of the donors also mentioned that it's nice when the acknowledgment has a personal note from the signer on it. It becomes a more personal form of recognition and communication.

At the UH Foundation when a gift is made donors are automatically sent a receipt with an acknowledgment attached from the Director of Donor Relations for gifts of any amount. If the gift is $1,500 or more, the donor also receives an acknowledgment letter from the Foundation president. If the gift is $10,000 or more the donor also receives a gift from the University president. The initial receipt / acknowledgment letter is sent electronically if there is an e-mail address on file. All others letters are sent in the mail. The donor who received the e-receipt for her $25,000 gift would have received additional acknowledgments from the Foundation and University presidents however, the initial acknowledgment seemed like a slap in the face to her because of the size of the gift. After hearing her concerns, the Foundation changed their policy to only send paper receipts / acknowledgments for gifts of $10,000 or more.

CHAPTER IV

DISCUSSION

Discussion of Research Question #1

RQ1: What specifically motivates/influences major donors to give? What are the important factors? (e.g. member in donor recognition society, press releases, public acknowledgment at event, donor walls, kiosks, custom awards, plaques, certificates, gifts, displays, programs, signage, events).

One category that donors seemed to converge on was the relationships they have with people at the Foundation or at the University and that those relationships are one of their main reasons for giving.

When I asked the interviewees, is your relationship with the Foundation a positive relationship worth continuing? All the donors I interviewed said yes. It comes down to the kind of individual relationships that people have. The idea of an organization/public relationship is kind of a fiction. The Foundation doesn't have the relationship with the donors; individuals at the organization have the relationship with the outside individuals. That's interesting from a research perspective because it comes back to interpersonal relationships.

The Social Exchange Theory viewpoint suggests that people analyze the worth of a particular relationship by determining if the benefits gained from the relationship are greater than the costs endured. If the benefits are greater, then it's a positive relationship. On the other hand, if the costs are greater it is determined to be a negative relationship. People decide whether or not to continue relationships based on worth. Typically,

positive relationships tend to last, whereas negative relationships most likely will come to an end.

In describing social situations, costs are the negative elements of a relationship, such as the time, money and effort put into a relationship as well as the negatives of a partner. Benefits are the positive elements of a relationship, such as sense of acceptance, support, and companionship.

In all of the interviews that I conducted the donors agreed that the benefits of donating were greater than the costs or at least are hopeful they will be, in the case of deferred gifts, once the gifts have come to fruition. One donor's (I2) comment practically mirrored this in describing social situations above when she stated, "The amount of time, money, and effort that I put into making this gift has been considerable only because I'm so slow at making decisions. There would be those costs regardless of where I was donating." She went on to say that a benefit of donating was meeting certain individuals at the Foundation. She claims that she has a lot of new friends and acquaintances, which brings it back to both parties may perceive the relationship itself as a potential benefit. Another donor (I5) mentioned the benefit of a tax break for herself but sincerely hopes and believes that the scholarship and the particular things she has purchased for the University will be a continuing benefit to people. A third donor (I3) also mentioned the tax break as a benefit but more importantly the chance to donate to something that was really important to her. Other donors look at it from an investment point of view. One of the businessmen I interviewed (I8) said, "This as an investment and how does my investment pay off? I want to get the biggest bang for my bucks and that goes for contributions. Otherwise I won't invest. Obviously that's the purpose. It's got to be

greater than the costs eventually." The Foundation must communicate with the donors not only the monetary value of their investment but the impact the investment has made on the recipient as well.

This brings us to the first of Homan's (1974) five propositions: 1. The Success Proposition – "For all actions taken by persons, the more often a particular action of a person is rewarded, the more likely the person is to perform that action" (p. 16). This proposition relates one's action to its success in receiving a positive result. The proposition doesn't say why the person performed the action but that no matter the reason, if it has proved successful, the person will tend to repeat that action. The result of the action is what follows: (1) a person's action, which is followed by (2) a rewarding result, and then by (3) a repetition of the original or similar action. One of the retired faculty members (I5) commented, "I continue to donate so it must be some kind of reward to me or else I wouldn't keep doing it." She said it reminded her of B. F. Skinner's behavioral theory that behaviors that are reinforced tend to be repeated. "If I keep doing this, there must be something in it for me." Another retired faculty member (I4) stated, I thought that this is really a gratifying thing a psychic reward that one gets from working so hard and feeling identified with an institution." A third (I6) mentioned, "People wouldn't make a donation if they didn't feel that it was a worthy thing to do for whatever reason. Whether it's the recognition or the feeling of being supportive or…in some cases the tax structuring…Whatever reasons people have for donating clearly it's worth it to them to donate because they've done it."

The second of Homan's (1974) propositions is the Stimulus Proposition:

> If in the past the occurrence of a particular stimulus, or set of stimuli, has been the occasion on which a person's action has been rewarded, then the more similar the present stimuli are to the past ones, the more likely the person is to perform the action, or some similar action, now. This proposition concerns the effect on action of the circumstances attending it. (p. 22)

As far as recognition as a stimulus is concerned, the two businessmen I interviewed agreed. One (I1) said, "If you were unhappy with those people you're not going to contribute to them." The other (I8) claimed that they in fact did make additional gifts because of the recognition. However, several of the donors interviewed said that the recognition they received from the Foundation did not play a role in their decision to give again or make a larger gift. In some cases, such as the donors who made deferred gifts to the Foundation, the donors felt that they had already given 100% and would not be able to make additional gifts to the Foundation regardless of the recognition received. However, one of the faculty members (I3) who made an estate gift did mention that she would like to get to the point where she could give something now that could be used in her lifetime so that she may be able to meet the recipients who benefitted from the gift opposed to waiting for her gift to come to fruition after she had passed. By meeting the recipients, they can communicate the value of her gift and give her the peace of mind to know that even after she's gone her gift will continue to benefit others in perpetuity.

Homan's (1974) third proposition: The Value Proposition: Reward and Punishment – "The more valuable to a person is the result of his action, the more likely he is to perform the action" (p. 25). The proposition implies that a person is more likely to perform an action as the positive value of the reward increases however, would be less

likely to do so if there was an increase in the negative value of the punishment. The same faculty member (I5) mentioned Skinner again, "Skinner said, behaviors that are reinforced tend to be repeated and certainly the opposite would be true. I think from a Skinner point of view sure it keeps the Foundation in mind when I'm in the mood to give or when I see something that I can solve by writing a check. I do it. The opposite is true if I weren't thanked, I probably wouldn't be as apt to repeat the behavior."

I found just in interviewing the donors that we developed a relationship based on social exchange. The donors were willing to give me information for my research that would eventually help the Foundation. In return, I gave them the opportunity to voice their opinions about donating to the Foundation and it was a form of recognition in itself to be interviewed. One of the donors that I interviewed (I4) was so thrilled and excited about me interviewing her, she talked to the person that she has a relationship with at the Foundation and that person told me that she had other people for me to interview. She wanted to give me people to interview because she thought that in itself was recognition. By being interviewed the donors realize that they are important and their opinion is valued. Most of the people I asked were very open to doing the interview. I think because it was for educational purposes they are more willing. When the Foundation conducted the Insights Survey in 2009-2010 some of the donors asked were reluctant to do the interviews but when the donors I interviewed heard it's for educational research and not just for the Foundation's benefit they were more open to doing the interview. The very thing they're donating to is the mission, the education, the knowledge, and when they see it's about that and not just for the Foundation they are more willing to participate.

As mentioned previously, not all relationships follow the rules of social exchange. Some relationships are considered communal, wherein benefits of the relationship are given to the partner without the expectation of something in return. In communal relationships, benefits are given in response to a need and out of concern for the welfare of the other person. In such relationships, receiving benefits does not create a specific obligation to return a comparable benefit, as it does in exchange relationships. This is exemplified by several of the donors. As one retired faculty member and donor (I3) put it, "You're not giving the gift to get the tax break. That's not your major thing. Your major thing is helping whoever it is you're giving the gift to." Another (I4) states, "It's enough for people to see that they are able to help society in general." A third (I5) maintains, "Giving is much more important to the recipient than it is to me." The last donor I interviewed (I8) feels that it's a matter of giving back. "It doesn't necessarily mean giving back to the person who gave to you but you can give back to some other people who are starting up or can't help themselves, basically giving back." These donors are donating for the benefit of society or the common good and do not expect anything in return for their donations except perhaps to know they have helped make a difference in someone's life.

Discussion of Research Question #2

RQ2: What is the role of public recognition in the social exchange between donors and the Foundation?

Most of the other donors I interviewed converge in their thinking that it's nice to get recognition for their gift but they don't expect it and that's not the reason they made the gift. One of them (I4) mentioned, "I don't think that we as donors are expecting any

kind of recognition from the public or anything. I think people donate because they like to help out. They feel their life is more meaningful if they have this kind of ability to contribute." This appears to be more of an internal benefit (e.g. feel good for contributing to worthy cause) than an intangible but externally observable benefit such as public recognition.

Some of the donors seemed to think that donor recognition didn't necessarily matter to them but probably would matter to somebody else. One donor (I6) stated, "In my case I don't need it in the sense of making me feel important. In terms of publicity about me as a donor that's not important to me. It might be important to others." Another (I8) mentioned, "Some people would do it because they want the recognition. For me, I want the recognition of my parents but not for me."

When I did get to the question about what role public recognition plays in a donor's decision to make a gift most of them said I can see that some people would do it for recognition because they need to feed their ego or they want their friends to know about it but most of the people I interviewed were pretty modest and said that's not something they did for the recognition. One faculty member (I3) said, "The recognition to me is a nice side benefit but it's not the reason why I made the gift."

Perhaps since these aren't anthropological interviews, the donors, even if they want public recognition, may not come right out and say it in a one-hour interview. They may be trying to save face to say that it doesn't matter even if it does. All of the donors I interviewed established endowed funds either in their own names or family member's names to ensure that they would continue on in perpetuity. This seems to me a form of

public recognition in itself as the beneficiaries of the funds will hopefully know something about the donor or honoree and what is important to them.

One form of recognition that a few of the donors seemed to appreciate is public recognition through donor recognition societies by attending special events and learning more about the university. Interviewee two (I2) stated, "I'm enjoying public recognition, mainly because I learn something. I've been enjoying the things at the university very much." Interviewee three (I3) said, "It's certainly nice to have events every once in awhile that in essence let you know somebody recognizes that I did do something nice for the University. Not a necessary thing but a nice thing that those kinds of events have. Donors may get to experience something they might otherwise not have known about the University. This gives donors a chance to know more about whichever parts of the University of that given event and you realize that the other people that are there have also given to the University so that you know you share a certain attitude with those people so I think that's good." It seems that the donors I interviewed are more comfortable with a type of group recognition opposed to individual singled out recognition, as the previous donor mentions enjoying being recognized along with other like-minded donors who have donated to the University. Interviewee two (I2) said being singled out is difficult for her but she likes the events very much.

Implications for Practitioners:

Looking to the future the first businessman I interviewed (I1) stated, "I think that the Foundation can be an icon for the future, not an extension of the past. What's more important than asking a donor what do you think about the future? What should we be doing in the future?" What specifically does this research project mean for the future of

the Foundation? From the information I gathered I have determined that the relationships we have with our donors are of the utmost importance. There are many motivating factors for giving but it seems that the relationship aspect is what really drives the gift. Donors may have many interests and may support other charities as well. It seems to me that the donors start out in an exchange relationship with the development officers that eventually turn into a communal relationship. In our future fundraising efforts, the Foundation's development staff should be sure to develop these relationships with their prospective donors and continue the relationship before, during, and after the donation has been made. The Donor Relations department may also help steward these donors by building relationships with them. Just in communicating with the donors that I interviewed, I was able to develop several new relationships that I may not have had otherwise. It's great when you get to see a donor at an event from time to time but to be able to sit down with them and discuss their motivations for giving and the type of recognition they have or would like to receive is invaluable. It not only provides valuable information to the Foundation for future stewardship, but also gives the donor the chance to be heard and to feel like they've made a difference. There is an exchange of intangible gifts that relates back to the social exchange theory. Lord (1932 states, "Good stewardship is well worth the extra effort it requires. It is the bedrock on which the future of an organization is built" (p. 93).

The Foundation should definitely continue to have special events for the different donor societies. Most of the donors I interviewed really enjoyed the special events and felt that it was a nice form of recognition to be able to get together with like-minded individuals and know that you are all there because you gave to a common cause. The

events are also informative in that they showcase a different part of the university that not everyone in the community is able to experience. The exclusivity of the events make the donors feel recognized and special.

It is also apparent to me from the interviews I conducted that UH faculty and staff should not only be recognized for their labor but also be recognized for their support of UH through their giving. Their gifts should be highlighted and promoted to other UH faculty and staff to encourage them to donate as well. One faculty member (I4) asked the question, "Where is the strength of the university rather than its faculty?" Advertise the different ways faculty can give to the university, outright, through payroll deduction, and through estate gifts. Explain tax benefits to them. Make it simple to donate. Build climate of awareness of giving through promotion of the giving culture. Another thing the Foundation can do to promote giving is ask donors to speak about making a gift to the University. There's nothing more powerful than testimony from another donor as to how and why they made their gift.

The acknowledgment of the gift is extremely important and not receiving an acknowledgment or the proper type of acknowledgment can make the difference if the donor will donate to your organization again. A few of the donors I interviewed were very candid about receiving acknowledgments and what they did and did not appreciate. Creativity enhances communication with the donors. Kelly (1998) recommends "to personalize all future communication, thereby recognizing the donor's special status to the organization" (p. 436). Mostly, the donors appreciate some type of personalization on their acknowledgment such as crossing out the proper name salutation on the letter and handwriting in the donor's first name and adding a personal note on the letter. This only

makes sense and is valuable if the person writing the letter has a relationship with the donor. If the person acknowledging the donor does not know the donor then it would not be appropriate to personalize in this manner. Also, the type of acknowledgment a donor receives should be appropriate to the amount of the gift, timely and sincere. I was advised by a couple of the donors that gifts of $10,000 or more should not be acknowledged electronically even if it's just the receipt for tax purposes. In light of this information the Foundation no longer sends electronic receipts for gifts of $10,000 or more.

Donors need to stay informed of their investment and be ensured that their gifts are being used wisely and according to purpose for which they were given. The Foundation needs to build a measure of confidence within the donors by having proper measures to see to it that what they're getting from the donors is wisely spent by having good procedures and techniques to keep track of expenses. The Foundation must be transparent with its policies and procedures posting them on their website or by other forms of communication. Accountability requires that gifts are used for the purpose for which they are given and informing the donor of the gift's use. This can be done through endowment reporting, impact reports, and by donors meeting the beneficiaries of their gift. I was advised by one donor that it would be most meaningful to hear about what the recipients are doing five years down the road. How did their gift impact the future of another individual? It would be great to be able to communicate with the recipient of the gift later in life and be able to report back to the donor as to what they have accomplished. This kind of information can also be used for stories on the website, in newsletters, annual reports, endowment reports and other communication vehicles.

So what does this mean for the development community? In the context of development for a public university, personal relationships seem to be one of the things that really matter. It is those relationships that keep the donors connected to the University. Special events also keep donors connected to the university by allowing the donors unique exclusive experiences that let them see first-hand the students and programs they are supporting. Because of those relationships and experiences they tend to continue to donate to the University. Kelly (1998) sums it up by saying, "Treating donors well goes beyond reciprocity, responsible gift use, and reporting; the relationship so important to the philanthropic exchange must be nurtured" (p. 441). She goes onto say that, "the most effective means of nurturing relationships is quite simple: Accept the importance of previous donors and keep them at the forefront of the organization's consciousness" (p. 441). The organization needs to communicate with and involve donors at every opportunity. Lord (1983) suggests, "Build ongoing relationships with your contributors. Invite them. Recognize them. Involve them. Ask them. Send them information before others receive it" (p. 92). Just as the organization hopes the donor will continue to make gifts to them, the donor expects regular communication from the organization. By asking donors what type and how often they would like to receive communication, the organization can provide better stewardship. One of the donors I interviewed spoke about making a gift to an organization for which she was thanked but after her time was up in the annual donor society that her gift had landed her in she never heard from them again. She felt it would be to the benefit of the organization to keep in contact through regular communications such as a quarterly newsletter then, perhaps something might catch her eye that she would want to contribute to.

Stewardship is an important component in the fund-raising process. Organizations have obligations and responsibilities to their donors that must be met. Fund-raisers must use two-way communication to determine the donors' interests and needs to increase the effectiveness of appreciation. Greenfield (1991) explained, "Fund raising concentrates too much on asking for money. More time and attention should be given to the relationships needed to sustain donor interests" (p. 17). According to Kelly (1998) stewardship consists of four progressive elements requiring attention and action: 1) reciprocity, 2) responsible gift use, 3) reporting, and 4) relationship nurturing. These are the elements that the non-profit organization is responsible for implementing when accepting a gift to return something of value to the donor.

To ensure donor-centric service and excellent stewardship the organization's objective should be to maintain the highest level of stewardship, seeking creative ways to engage donors, embracing technology, and providing cost-effective services that consistently exceed expectations and provide excellent service to campus partners, working collaboratively to ensure donor satisfaction, educating them about the importance of stewardship, and contributing to the development of the culture of philanthropy.

Strategies an organization may choose to implement are: use department resources proportionate to the size of the donor's gift; engage key partners to create positive donor experiences, work collaboratively with academic units and development officers to establish stewardship plans with adequate prompts, protocols and accountability for follow-through; prepare gift agreements that meet the donors' wishes and the organization's needs and policies; acknowledge donor gifts in a meaningful and

timely manner; provide meaningful, suitable, and cost-effective means to recognize donors; create cost-effective donor stewardship events that recognize donors for their generosity, highlight the impact of donor gifts, and showcase the excellence of the organization; keep endowment fund donors, stewardees, and account managers well-informed about fiscal management and account status; and monitor and analyze the impact of stewardship activities on donor behavior to hone the organization's stewardship program to be its most productive and cost effective.

Implications for Research

The eight interviews I conducted proved valuable findings regarding the role public recognition plays in a donor's decision to make a gift. Most of the interviewees said they can see that some people would want public recognition but that they did not give just to receive recognition. However, there is a unique culture in Hawai'i. Future research would be needed to see how this attitude about public recognition would compare across the nation or with the rest of the world.

Also, I only interviewed individual donors and not corporations or foundations. The Donor Relations Department at the Foundation mainly deals with major individual donors and family foundations. There is a separate Corporation and Foundations department at the Foundation that handles those groups. Attitudes toward public recognition for corporations and foundations may be very different than that of individuals and family foundations and would require further research in this area.

Another area for future research would be community impact and support in relation to non-profit organizations. While conducting the interviews I sensed this idea of community coming up again and again and I really would have needed to do more

interviews or future research to really uncover the importance of community impact on non-profit organizations.

Here is a sense of what I gathered from the interviews: Regarding the selection of recipients, one of the donors (I1) said, "I really expect that the committee shall select people who truly will make a contribution to our community." As far as recognition goes, the same donor stated, "I'm not nearly as interested in the recognition as I am that the agency making the recognition really demonstrates on a grand range to the community the value of what they are doing. To me is a more acceptable environment that the Foundation has a vision that reaches out into the community and that vision and that community outreach supports the University. The Foundation has to be here to support the community through its efforts and the efforts of the University. To recognize a donor is serving the need of that person's ego and your real objective should be to serve the needs of the community, whatever that community is."

How can the Foundation communicate what we do to the community to make donors feel good about giving to UH? One of the retired faculty members (I4) commented, "The Foundation should explore ways to give recognition to people who donate in a way to say that the Foundation is in existence because of groups that donate and use it to publicize it so that other people get to know about funding and are encouraged to do that." Another donor (I2) mentioned how wonderful the Senior Visitors Program is and remarked, "I don't know what the program costs but whatever it is the community is far better off because of that." She also mentioned being able to get together with like-minded people which another donor commented on as well. "The community of it, the interaction of people, it just helps so many people in so many ways."

The Foundation works closely with the University of Hawai‘i, the UH Alumni Association, and all other UH affiliates as well as with others in the community exclusively for the benefit of the University.

The first donor I interviewed (I1) asked, “What’s the community’s opinion on going to Community College?” which leads me to another topic that continued to arise in the interviews and that was the importance of the community colleges. The same donor remarked on the Foundation partnering with the community colleges to form a coalition. “Something that’s already within the asset of education is the community colleges and the programs they offer.” A second donor (I2) feels the community colleges are so necessary especially financially as more young people are able to go to school. The motivation of two donors for donating to the Foundation was to be able to support the community colleges.

CHAPTER V

CONCLUSION

Unlike quantitative research where a paper or electronic survey is used as an instrument to collect data, in qualitative research, it is the investigator who becomes the instrument in the collection and data analysis process. The investigator must draw on his or her own experiences to see how patterns emerge from the data. The diversity of characteristics of the investigator is used to compare and analyze the data until similarities emerge. As the investigator, I was able to use my experience as the Director of Donor Relations at the Foundation to segregate and define analytic categories and compare and analyze the data I received from the respondents. It was also helpful to be able to partner with the Foundation to conduct the interviews. Without their permission I would not have any data to analyze.

A limitation of the study was that the sample was limited to only those with named endowed funds. All of the donors I interviewed had established endowed funds either in their own names or family member's names to ensure that they would continue on in perpetuity. This is a form of recognition in itself as the beneficiaries of the funds will hopefully know something about the donor or honoree and what is important to them.

Also, all of the donors I interviewed agreed to meet with me. It was also a form of recognition to be interviewed. The donors were willing to give me information for my research that would eventually help the Foundation. In return, I gave them the opportunity to voice their opinions about donating to the Foundation.

The purpose of this study was to determine the role of donor and non-profit organization relationships by applying social exchange theory to focus on public recognition as a form of social exchange currency. Through my research I have found that the relationships between the donors and individuals at the Foundation are based on both social exchange and communal relationships. In exchange relationships both parties expect the exchange of benefits to be of a comparable value. Communal relationships differ in that the benefits given are non-contingent, in other words, given without the expectation of receiving something of equal value in return. The benefits received can be the motivating factors for donors in making a donation to the Foundation and the reward is the pleasures, satisfactions or gratifications they may enjoy from making the donation.

The significance of the study seeks to help the University of Hawai‘i Foundations' development staff understand donors' motivations to give and how recognition can be an important factor in their decision making, which could possibly lead to more donors making larger gifts to the organization. It will also help the Donor Relations department to determine what type of recognition and communication is suitable in different situations as proper recognition and communication may lead donors to make future gifts.

This research will be helpful in better understanding donors motivations to give to the Foundation and continuing to build positive relationships with our most loyal and generous supporters. In the context of development for a public university personal relationships seem to be one of the things that really matter. It is those relationships that keep the donors connected to the University. As individuals at the Foundations, all staff whether in development or donor relations, we must continue to nurture these

relationships to ensure our donors have a positive relationship with the Foundation and will continue to give and encourage others to give to the University.

APPENDIX A

Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgment and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

The text of this statement in its entirety was developed by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993.

APPENDIX B

UHF Donor Stewardship Plan for Individuals

(How UHF central will steward donors at different giving levels.)

Gift Size	Stewardship Activities
$1 Million +	**When gift is made or one-time event** • Press clippings of gift to donor • Donor profile and photo portrait in appropriate publication **On-going stewardship** • Invitation to Biannual HOKU dinner
$100,000 - $999,000	**When gift is made or one-time event** • Gift recognition ceremony • Press Release announcing gift (if the donor wishes) • Certificate of appreciation **On-going stewardship** • Invitation to Founders' event each year
$35,000+ endowed gift	**On-going stewardship** • Annual Investment Seminar invitation • Annual financial report on endowed fund(s)
Heritage Society	• Annual Investment Seminar invitation • Annual President's Club/Heritage Society reception

Gift Size	Stewardship Activities
$10,000+ **Annual Gifts**	• Acknowledgement letter from UH System President to donors of $10,000 or more
UHF **$1,500+** **Annual Gifts**	• Acknowledgement letter from UHF President to donors of $1,500 or more • Annual President's Club/Heritage Society reception • Annual letter/email highlighting impact of PC gifts • Notification of annual report • Thanksgiving card

APPENDIX C

Consent Form

Handout for Participants

Project
Title: *Social Exchange Theory: A donor / non-profit organization relationship perspective*

Researcher: Terri Alvaro
Director of Donor Relations
University of Hawai‘i Foundation
2444 Dole Street, Bachman 101
Honolulu, HI 96822
808-956-8874

Overview
This research project is being conducted as a component of a thesis for a master's degree. The purpose of this research project is to determine the role of donor and non-profit organization relationships by applying Social Exchange Theory to focus on public recognition as a form of social exchange currency. You are being asked to participate, because you are a donor to the University of Hawai‘i Foundation (Foundation).

The main objective of this study is to determine how donors to the Foundation perceive their relationship with the Foundation to determine if the benefits of the relationship are greater than the costs, and if it is a positive relationship worth continuing.

Participation in the project will consist of an interview including questions regarding donor's reasons for giving to the Foundation and donor recognition by the Foundation. Data from the interview will be analyzed to determine if any common themes arise and to see what topics interviewees converge/diverge on. Approximately 12-15 people will be asked to participate in the study. No personal identifying information will be included with the research results. Completion of the interview should take no more than 60 minutes and will be recorded with consent of the participant.

I agree to participate_____

I do not agree to participate_____

I agree to have the interview recorded _____

I do not agree to have the interview recorded _____

The researcher believes there is little or no risk to participating in this research project. The recordings will only be used by the researcher for the purpose of accurate reporting for this study and will be deleted after the research is complete.

Participating in this research may be of no direct benefit to you. It is believed, however, the results from this study will help the Foundation's development staff understand donors' motivations to give and how recognition can be an important factor in their decision making. It will also help the Donor Relations department to determine what type of recognition is suitable in different situations.

Research data will be confidential to the extent allowed by law. Agencies with research oversight, such as the UH Committee on Human Studies, have the authority to review research data. All research records and recordings will be stored in a locked file in the primary researcher's office for the duration of the research project. Any research records or recordings with information identifying participants will be destroyed upon completion of the project.

Participation in this research project is completely voluntary. You are free to withdraw from participation at any time during the duration of the project.

If you have any questions regarding this research project, please contact the researcher, Terri Alvaro at (808) 956-8874 or terri.alvaro@uhfoundation.org.

If you have any questions regarding your rights as a research participant, please contact the UH Committee on Human Studies at (808) 956-5007 or uhirb@hawaii.edu.

APPENDIX D

IRB Approval Form

UNIVERSITY of HAWAI'I®
MĀNOA

Office of Research Compliance
Human Studies Program

May 29, 2012

TO: Teresa Alvaro
Principal Investigator
Communications

FROM: Ching Yuan Hu, Ph.D.
Interim Director
Human Studies Program
Office of Research Compliance
University of Hawaii, Manoa

Re: CHS #20236- "Social Exchange Theory: A Donor / Non-Profit Organization Relationship Perspective"

This letter is your record of the Human Studies Program approval of this study as exempt.

On May 29, 2012, the University of Hawai'i (UH) Human Studies Program approved this study as exempt from federal regulations pertaining to the protection of human research participants. The authority for the exemption applicable to your study is documented in the Code of Federal Regulations at 45 CRF 46 (2, 4).

Exempt studies are subject to the ethical principles articulated in The Belmont Report, found at http://www.hawaii.edu/irb/html/manual/appendices/A/belmont.html

Exempt studies do not require regular continuing review by the Human Studies Program. However, if you propose to modify your study, you must receive approval from the Human Studies Program prior to implementing any changes. You can submit your proposed changes via email at uhirb@hawaii.edu. (The subject line should read: Exempt Study Modification.) The Human Studies Program may review the exempt status at that time and request an application for approval as non-exempt research.

In order to protect the confidentiality of research participants, we encourage you to destroy private information which can be linked to the identities of individuals as soon as it is reasonable to do so. Signed consent forms, as applicable to your study, should be maintained for at least the duration of your project.

This approval does not expire. However, please notify the Human Studies Program when your study is complete. Upon notification, we will close our files pertaining to your study.

If you have any questions relating to the protection of human research participants, please contact the Human Studies Program at 956-5007 or uhirb@hawaii.edu. We wish you success in carrying out your research project.

1960 East-West Road
Biomedical Sciences Building B104
Honolulu, Hawai'i 96822
Telephone: (808) 956-5007
Fax: (808) 956-8683

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