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Diversifying Funds to Enhance Financial Sustainability of a County Library System

Francis Adetokunboh Adebola-Wilson
Walden University

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Abstract

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by

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MLIS, Valdosta State University, 2012

Post Graduate Diploma, Lagos State University, Nigeria, 2001

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Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Public Policy and Administration

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January 2017

Abstract

Existing research has focused on the financial challenges affecting public libraries and how to improve library efficiency and funding. However, it is unknown how financial diversification could improve the economic fortunes of public libraries. The purpose of this study was to illuminate the unique structural, legal, and operational dynamics associated with adopting a financial diversification strategy in the Clayton County Library System (CCLS), Georgia, and to explore what would support or hinder the implementation of such a strategy. Using modern portfolio theory, the research explored how the CCLS could diversify its funding sources. A qualitative single-case study was conducted to gather information from a sample of library personnel: 2 library directors, 7 assistant directors, 6 branch managers, and 3 grant writers. Budget documents and meeting minutes over a 3-year period were also reviewed. The data were analyzed using a content analysis method, and were coded inductively. Interview data were triangulated with the results of a review of budget documents, meeting minutes, and related literature. Study findings revealed that financial diversification was an effective strategy for the participants in this study, but such diversification would be complex for the broader CCLS because of stakeholders' concerns about CCLS's organizational characteristics, legal frameworks, and management attitudes. The study findings may be used as a basis for further empirical investigations on adoption of financial diversification plans in public libraries. Positive social change is expected to result from this study because it provides useful data to policymakers, library administrators, and other stakeholders seeking ways to sustain public library funding.

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Dedication

First, I want to reverently dedicate this dissertation to God Almighty for the grace to start, and complete this doctoral program. Second, to my family, without your love, support, and patience I wouldn't have made it through this process. You have cheerfully taken on more than your fair share of our daily demands, and have offered your love, and support throughout the entire process. Even though your valuable time was impacted by my doctoral research, everything I have done has been done to provide a better life, and future for us.

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To God be the glory!

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Chapter 1: Introduction to the Study

The amount of funding that libraries receive affects the quality of services they can offer. In the United States, federal, state, and local (i.e., municipal) government funding sources provide most of the money for public libraries (Institute of Museum and Library Services, 2013; Research Information Network, 2010). More specifically, state and local government funding are the main sources of money for these institutions (American Library Association, 2014 b); federal funding only complements these sources of revenue (American Library Association, 2013b; Institute of Museum and Library Services, 2013). The Library Services and Technology Act specifies how funds are allocated from Washington for these public institutions. Some public libraries receive extra financial support from concerned citizens, who may give private donations or support the activities of a special-purpose district by voting for and paying specifically levied taxes (American Library Association, 2014a). Such efforts highlight a wider source of funding for public libraries—private philanthropy—which has often played an instrumental role in expanding public library facilities or renovating them (Institute of Museum and Library Services, 2013). These institutions have also sought such funding to improve their services. Another critical source of public funding is the endowment fund (Sullivan, 2007). Some innovative library administrators have gone a step further and sought additional funding through private-public partnerships with private companies and civic groups.

In the last few years, the U.S. government has been criticized for being tight fisted with respect to public libraries (American Library Association, 2014b). This tight-fisted

approach is part of a wider set of concerns regarding the funding of public libraries at the expense of other economic projects (Institute of Museum and Library Services, 2013). Based on these pressures, Lumos Research (2011) and Lemons and Thatchenkery (2012) noted that it is now common to see public libraries collaborating with profit-making organizations to supplement their income. This is why public-private partnerships are becoming a common feature of the funding model of public libraries (Institute of Museum and Library Services, 2013). Overall, these factors show the immense pressures that public libraries are experiencing in today's uncertain economic times.

Statement of the Problem

Since the 19th century, U.S. public libraries have played a crucial role in the social and economic development of communities (Rubin, 2010, p. 7). For instance, they have supported literacy for the homeless, acted as social gathering places, allowed for personal and professional development, and acted as centers for cultural engagement (American Library Association, 2013a). As Obadare (2014) and the Research Information Network (2010) observed, these institutions have come under threat from social and economic changes on two fronts. First, the growing prominence of the digital era has diluted the relevance of libraries in contemporary society by increasing access to information and eliminating the monopoly that most libraries used to enjoy in this regard (Basri, Yusof, & Zin, 2012; Düren, 2013). Second, libraries have come under threat from poor economic conditions, which have limited state and federal funding to such institutions (Bowman, 2011; Coffman, 2013).

During the global recession of 2007-2008, public libraries in 44 U.S. states reported a 30% decline in state funding (Lumos Research, 2011). Similarly, reduced funding caused the closure of several public libraries in Western Europe (Institute of Museum and Library Services, 2013). Furthermore, data gathered in the United Kingdom from senior library managers in 2009 showed that most libraries were experiencing sustained periods of financial cuts (Research Information Network, 2010). Based on the scale of financial cuts experienced by most of these institutions, the network also showed that many library administrators were reviewing the scale of services offered to their patrons (Research Information Network, 2010). Indeed, to cope with the financial challenges, some public libraries stopped operating, others downsized their operations, and a few reduced their working hours (Bakar & Putri, 2013; Klentzin, 2010). Such adjustments have curtailed the effectiveness of these public institutions in fulfilling their social and educational goals, thereby reducing their relevance in modern society even more (Egunjobi & Awoyemi, 2012).

Policymakers have contributed to the decline of public libraries by reducing public funds that have traditionally financed such institutions (Institute of Museum and Library Services, 2013). Legislators and county administrators have argued that other important institutions such as schools, security agencies, and health care facilities need public financing even more than libraries do (Institute of Museum and Library Services, 2013). Consequently, many of the latter institutions have shut down their operations, imposed levies for accessing their services, or ventured into other types of business (Institute of Museum and Library Services, 2013). For example, the oldest public library,

Darby Free Library, located in Delaware County near Philadelphia, faced closure because of severe budget cuts (Chang, 2014). Similarly, the Friern Barnet Community Library in London closed down after Barnet County was unable to finance its operations (Webb, 2014).

Based on the unprecedented scale of the financial challenges that constrain the operations of modern libraries, various researchers and organizations have undertaken comprehensive research studies to assess the scope of the problem (Cuillier & Stoffle, 2011; Goodman, 2008; Institute of Museum and Library Services, 2013; Webb, 2014). For example, the Institute of Museum and Library Services (2010) and the Research Information Network (2010) gathered information regarding the scale and scope of financial troubles that plague the American library sector. Other institutions that have participated in similar research studies include the Society of College, National, and University Libraries (DeAlmeida, 1997; Goodman, 2008). Goodman (2008) added that some small focus groups have produced vital information regarding the scope and magnitude of the financial troubles that characterize the library sector. In line with the same goal, many library directors have acknowledged the financial problems they have experienced when managing the operations of public libraries (American Library Association, 2014; Mapulanga, 2013). Consequently, they have introduced new services to support their organizational goals. In addition, limited financial resources have constrained their strategies. Furthermore, public libraries operate as legal nonprofit institutions. Adopting a financial diversification strategy means that these institutions would henceforth make a profit. This approach contradicts the operational model of such

institutions because they are not supposed to make a profit, and this status affords them certain financial (e.g., tax exemption) and other benefits (Bakar & Putri, 2013; Klentzin, 2010). This challenge highlights the need to understand the legal ramifications of adopting a financial diversification strategy. The operational dynamics of public libraries, which have steered them onto the path of nonprofit business, would also conflict with a financial diversification strategy because they would now support profit-making ventures (Bakar & Putri, 2013; Klentzin, 2010). This challenge formed the second basis of analysis for this study.

Financial diversification is a strategy advanced by many economic experts to manage economic challenges. While many research studies have been devoted to this topic in the context of private enterprises (Agosto, 2008; Brands & Elam, 2013), the scholarly literature is silent on financial diversification in the public library sector. The few authors who did address the financial straits in the public sector suggested that public libraries should be seeking alternative sources of funding (Goodman, 2008). For example, Mapulanga (2013) advocated that Malawian public libraries should try to find extra money through fundraising efforts. In addition, he encouraged these institutions to focus on and start income-generating activities to supplement their income. In the American context, researchers have suggested various strategies of financial diversification. Cuillier and Stoffle (2011), for example, suggested in their study on Arizona libraries that these institutions should consider charging library fees and creating award ceremonies as alternative sources of funding.

Many researchers have explored how financial diversification could work in various enterprises; however, they have mostly considered profit-making enterprises (Bakar & Putri, 2013; Brands & Elam, 2013; Klentzin, 2010). Some common recommendations have emerged from such studies; for example, there has been a recommendation that companies venture into new businesses, engaging in horizontal and vertical diversification (Agosto, 2008; Brands & Elam, 2013). Many privately owned companies have embraced such recommendations successfully (Bakar & Putri, 2013; Brands & Elam, 2013; Klentzin, 2010). These strategies have, indeed, helped them to overcome some financial challenges and cope with uncertain economic conditions. While success stories abound about private enterprises that overtook hurdles and overcame their financial limitations, information regarding efforts of public institutions in this regard is wholly inadequate (Agosto, 2008).

In the current literature, it appears that researchers have, indeed, suggested various alternatives for improving the financial position of libraries in their vicinity. However, their suggestions are too broadly based to be of much help (Brands & Elam, 2013; Kostagiolas, Papadaki, Kanlis, & Papavlasopoulos, 2013). Few have explored the implications of these strategies for the current operational structure of public libraries, which limits their mandate to providing free social services. What has emerged, however, from these writings has been a growing awareness that dependence on state and federal funding to finance libraries' operations is not sustainable (Brands & Elam, 2013; Kostagiolas et al., 2013). It appears that various institutions will have to seek different sources of funding to suit their particular circumstances and financial needs. This

dawning understanding prompted my choice of the case study design, which takes into account the contextual nature of the problem and, thus, of the search for financial options available to a specific case, the Clayton County Library System (CCLS) in Georgia.

It is unknown how financial diversification could improve the economic fortunes of public libraries. According to Basri, Yusof, and Zin (2012), researchers who have focused on the financial troubles affecting public libraries have explored only how to improve library efficiency, not how to ensure libraries' financial sustainability. Others have explained the reasons for budget deficits in the library sector (Bedford & Gracy, 2012). Because private organizations have different operational needs and requirements, one cannot apply these findings indiscriminately to both public and private enterprises. Available information about public libraries and how they could improve their financial lot through diversification is insufficient. As a result, a great need exists for public libraries such as the CCLS to explore alternative financial investment strategies that could improve their situation.

Purpose of Study

Based on the many financial challenges that modern libraries are currently experiencing, the Research Information Network (2010) observed that library directors are willing to use this economic challenge to do things differently. However, few of them have come up with concrete proposals that would effectively transform library management services so as to produce large-scale savings and improve the financial position of these organizations (Cummings & Worley, 2009). These failures have made library administrators eager to look for innovative ways of solving the financial problems

that are plaguing their organizations (Wang, Chu, & Chen, 2013). However, there is only scant information available regarding how nonprofit organizations might achieve financial sustainability without adopting financial diversification strategies that have been predominantly associated with the corporate sector (Humphery-Jenner, 2013).

The purpose of this study was to provide a thorough understanding of the unique structural, legal, and operational dynamics associated with adopting a financial diversification strategy in the CCLS and to explore what would support or, conversely, hinder the implementation of such a strategy. Based on this line of reasoning, I endeavored to paint a clear picture of the unique administrative, legal, and operational dynamics associated with public libraries by investigating the financial problems of one public library in Georgia, the CCLS. Indeed, the CCLS is one of the many public libraries in 44 states of the United States that are suffering from financial challenges. This view aligns with the assertions of Collins (2012), who maintained that 44 of the 50 states in the United States have state-funded public libraries that continually experience financial challenges. The CCLS (2014) in Georgia serves more than 1 million users annually. The organization also supports local businesses, which, in turn, support the library by providing business information such as directories and databases, literacy programs, and similar supportive materials and services. Some of the organization's financial troubles stem from a wider problem facing public libraries in the United States—namely, relying chiefly on public funds to sustain their operations (American Library Association, 2014a). This observation supports the assertion of Coffman (2013) that approximately 90% of all public library funds come from the government. Library fees and direct taxes

account for other sources of revenue for such institutions (American Library Association, 2014a). Relying almost exclusively on public funds to run their operations, public libraries such as the CCLS are vulnerable to economic uncertainties.

Financial constraints and the digitization of information—information being formerly the near-exclusive domain of libraries—have reduced the bargaining power of the CCLS as it seeks more financial allocations from state and federal authorities (Egunjobi & Awoyemi, 2012). Furthermore, with diminished relevance in today's society, the institution is receiving less public support compared to years past (Bedford & Gracy, 2012; Cooperrider & Whitney, 2009). Collectively, these challenges threaten the organization's existence. It is because of these severe challenges that I have addressed financial diversification concerns with the hope of finding answers to enhance the financial sustainability of the CCLS. In doing so, I investigated ways and strategies that could benefit other public libraries in Georgia and the greater United States, which share a common predicament in these uncertain economic times. Comprehensively, the CCLS is a prime example of a noncorporate entity in need of these financial diversification strategies. Furthermore, today's digital growth has created more pressure on public libraries to maintain their relevance in a fast-paced world economy (Basri et al., 2012). For the CCLS, this means is that its leadership needs to find answers to its financial problems or it could face closure, and what the CCLS experiences seem to be felt across the library sector in general (Wang, Chu, & Chen, 2013). Because there are no models or frameworks that could predict how a financial diversification strategy might promote the financial stability of these important social institutions (Christoffersen & Langlois, 2013;

Kostagiolas et al., 2013), it is both crucial and timely that a qualitative case study be focused on the CCLS.

Research Questions

Four fundamental research questions guided the study:

RQ1: What financial challenges does the Clayton County Library System experience?

RQ2: How are these challenges affecting the library?

RQ3: In what ways can the leadership of the Clayton County Library System diversify its funding?

RQ4: What legal considerations does the Clayton County Library System face when considering the adoption of a financial diversification strategy?

The four RQs helped to achieve the purpose of the research, which was to provide a thorough investigation of the unique structural, legal, and operational dynamics associated with adopting a financial diversification strategy in the CCLS, and to explore what would support or, conversely, hinder the implementation of such a strategy. The first and second research questions helped to contextualize the research problem in financial issues by providing a deeper understanding of the financial problems that affected CCLS. Consequently, I was able to examine the structural, legal, and operational dynamics of CCLS, which were central to comprehending the financial activities of the library. In so doing, it was easier to grasp how such problems affected the financial operations of the library and, more important, the need to have unique diversification strategies that would solve some of these problems. The third RQ, which explored ways

that the leadership of the CCLS could diversify its funding, also helped to apprehend the factors that supported or hindered the implementation of financial diversification strategies at the organization because leadership helps to articulate the vision of financial diversification. Indeed, poor leadership could mean that CCLS would not effectively adopt the recommendations outlined in the study, whereas good leadership would help to inspire change at the library to support some of the recommendations for financial diversification outlined. RQ4, which was intended to identify the legal issues that CCLS faced when implementing the financial diversification strategy, also shed some light on some of the factors that supported, or hindered, the implementation of such strategies at CCLS. This is because the library's ability to absorb some of the recommendations outlined in this study depends on the nature of the library's legal framework. For example, if the legal framework of operation prohibits the library's managers from using financial diversification strategies, the relevant recommendations outlined (for financial diversification) would be illegal. The opposite is true if the library's legal operating structure allows it to pursue innovative financial diversification strategies, because the library's managers would be at liberty to adopt the recommendations of financial diversification outlined in the study. Based on this analysis, the fourth research question helped to identify and document what would be deemed acceptable, or unacceptable, when adopting alternative revenue generation strategies.

Theoretical Framework

Modern portfolio theory was the main theoretical framework for this study. This theory seeks innovative ways of maximizing returns within a given variety of investments

owned by an individual or an organization (Cross, 2011; Okojie, 2010). The main proposition of modern portfolio theory is risk minimization through portfolio diversification. This theory has shaped how investors perceive risk and returns. Okojie (2010) wrote that the theory has affected how investors understand portfolio management. In one move, it seeks creative ways of minimizing risks by evaluating current assets. Early adopters of the theory emerged in the early 1950s and again in the 1970s (Cuillier & Stoffle, 2011). They presented the theory mainly as a mathematical model of finance. The theory is based on the work of Markowitz, who developed the model to help investors make prudent decisions regarding their investments (Tu & Zhou, 2010). Soon after its development, people termed the theory the *Markowitz theory* (Omisore, Yusuf, & Christopher, 2012). Its name was later changed to *modern portfolio theory*. Omisore et al. (2012) considered it among the first theories that helped investors to maximize their portfolio returns by allowing them to choose the proportions of different investment assets. Unger (2014) explained that modern portfolio theory divides financial risks into two parts. The first part is unsystematic asset-specific risk, which investors could mitigate through diversification (Tu & Zhou, 2010). The second part is covariance, or market risk, which always remains with the investor. These risks underscore the importance of investing through portfolios, as opposed to holding on to individual assets or sources of funds (Cuillier & Stoffle, 2011). Discussing modern portfolio theory, Unger (2014) outlined four assumptions. First, he maintained, most investors are preoccupied with the means and standard deviations of their assets when

making investment decisions. He further assumed that most investors are risk averse as they prefer to make investment decisions that present fewer risks for equal returns.

In Chapter 2, I elaborate in greater detail on the theoretical propositions and major hypotheses of modern portfolio theory; suffice it to say in this context that many pundits have questioned some of its major assumptions (Omisore et al., 2012). Although these criticisms must be taken into account, Han, Yang, and Zhou (2013) argued that the theory presents an improvement over traditional models of wealth development. Furthermore, it marked an important advancement in the mathematical modeling of investment decisions. This fact stems from the theory's mathematical formula for making investment choices (Han et al., 2013). The purpose of developing this formula was to highlight the fact that investment portfolios have fewer risks associated with them than an individual asset would carry. It is possible to see the intuitive value of this contribution because different assets have varying values (Han et al., 2013). Thus, modern portfolio theory advocates for diversification to lower the risk of investment, regardless of the nature of correlation that most assets share with returns (Omisore et al., 2012).

Researchers have used modern portfolio theory to encourage investors to pursue asset diversification as a strategy for insulating their investments against market risks and organization-specific risks. In this regard, Omisore et al. (2012) wrote, "The theory is a sophisticated investment decision approach that aids an investor to classify, estimate, and control both the kind and the amount of expected risk and return" (p. 21). Based on these dynamics, an essential component of modern portfolio theory is the central relationship between risk and return (Elton, Gruber, & Blake, 2011). The assumption that all investors

need to receive risk compensation also emerges as a critical tenet of the theoretical framework. Modern portfolio theory shifted the emphasis of investment strategies from the characteristics of specific investments to the statistical relationships that underscore every investment decision (Edlinger, Merli, & Parent, 2013). Researchers have used modern portfolio theory as a framework for guiding investors on how to allocate capital across an asset group (Edlinger et al., 2013). Investors measure investments based on their expected value of the random portfolio return (Elton et al., 2011). The risk quantification process also occurs by analyzing the variance of the portfolio return, the mean variance framework. The portfolio allocation process should consider the conflicting goals of investments and the quest for investors to minimize their risks and maximize their returns (Bhattacharya & Galpin, 2011).

Overall, Markowitz was among the first scholars to observe the diversification effect by encouraging investors to diversify their financial options across different assets. Bhattacharya and Galpin (2011) explained that, when applying modern portfolio theory, it is important to understand the returns, variances, and correlations that characterize the mean variance approach that investors use to choose the right portfolios for their investments. Again, this process helps investors to maximize their returns while minimizing their risks when making investment decisions (Bhattacharya & Galpin, 2011). Because modern portfolio theory hails from a financial background, it provided the framework for comprehending the financial alternatives of the CCLS. Essentially, this study contributes to theory by developing a model that proposes a framework for reviewing the outcomes as it highlights different funding sources for public libraries—an

area in which, despite an abundance of knowledge, little information is extant on diversification strategies to attain sustainability by using nontraditional funding sources.

Modern portfolio theory guided the process of formulating the RQs by outlining assumptions that made it applicable to CCLS. For example, one assumption of the theory is the omission of tax and transaction costs when diversifying financial sources (Han et al., 2013). This analysis brought to the fore the need to evaluate the legal structure governing the adoption of financial diversification strategies because tax issues are legal in nature. This issue was explored in RQ4 because of the need to understand how the legal obligations of CCLS would affect its financial reorganization. Supporting this trail of thought was another assumption of modern portfolio theory, which indicates that politics and investor psychology do not affect the application of modern portfolio theory (Elton et al., 2011). Legal issues affecting the selection of modern portfolio theory are mostly political in nature. This view informed the development of RQ3 and RQ4. The latter question involved the legal ramifications of adopting other funding plans, while RQ3 explored the political ramifications of choosing a funding reallocation strategy at CCLS. This analysis emerged from a key assumption of modern portfolio theory, which is that investor psychology does not affect the execution of modern portfolio theory (Bhattacharya & Galpin, 2011). The role of investor psychology (or the lack thereof) was equated in the embrace of the theory to the role of leadership in pursuing innovative funding options at CCLS. In this regard, it was important to evaluate the role of organizational leadership in seeking the best financial variation to use at CCLS. This concern emerged in the formulation of RQ3.

The background of modern portfolio theory also informed the development of the research questions by drawing an alignment of organizational problems that often lead to the adoption of the theory. As mentioned earlier, modern portfolio theory hails from the effort to solve problems of extreme risk exposure because of business and market risks (Han et al., 2013). Without such conditions, it may be difficult to realize the importance of applying the theory. This condition informed the quest to develop RQ1, which was aimed toward understanding the financial challenges facing CCLS. Indeed, it was easy to understand the need for a financial diversification strategy at the institution. RQ2 was also borne from the same line of thinking because understanding the effects of the financial challenges of CCLS on the institution helped to explain the importance of financial diversification. Based on these insights, modern portfolio theory was instrumental in developing the framework for this study and was appropriate for the analysis.

Nature of the Study

I opted for a qualitative case study approach to answer the research questions posed for the study. This approach allowed for an in-depth exploration of the research phenomenon (Maxwell, 2013; Thatchenkery, 2005). The qualitative case study approach was appropriate for this study because of its exploratory nature. Qualitative case study is considered applicable in situations where the outcome is unknown. The research design allowed me to delve deeply into the nuances of the research questions by examining how structural, legal, and operational issues were related to the adoption of a financial diversification strategy. The research questions accommodated these distinctions and

were therefore aligned with the qualitative case study. Furthermore, this approach accommodated the case study design, which gave room to the exploration of the financial practices of the CCLS through a dual data collection technique involving interviews and document review. Researchers have chosen the qualitative research approach chiefly because of its open-ended nature (Qualitative Research Consultants Association, 2015). For instance, qualitative research studies have been used to develop hypotheses for further testing; understand people's feelings, values, and perceptions; generate new project ideas; and undertake similar actions in marketing development (Qualitative Research Consultants Association, 2015). These competencies of the qualitative research design indicated that it would be a useful approach for this study, whereas a quantitative design would have been unsuitable due to its conclusive nature. Stated differently, the quantitative research approach could not have accommodated the exploratory nature of this study, because the case study's findings were supposed to lay the groundwork for further research in the field of financial diversification in the public library sector.

The data collection process included in-depth interviews of 18 respondents. Two respondents were current and former library directors of CCLS. Three respondents were grant writers. Six branch managers and seven current and former assistant directors also took part in the study. The second part of the data collection process consisted of document review, which provided information about CCLS budgets and minutes from the meetings of the Friends of the Library. Once the data were collected, content analysis methods were applied as the main data analysis technique for the document review process. These methods allowed categorization of the data into relevant themes for

answering the research questions (Weick, 1982). This process also helped in categorizing and summarizing the results of the interview data. In essence, themes from the interviews were used to organize materials gleaned in the document review. This method was applicable on two levels: The first level provided a descriptive account of the information obtained; the second level, or the latent level of analysis, helped in interpreting the findings based on implied meanings in the responses and from the inferences made.

The chosen data collection techniques helped to answer the RQs, which were exploratory in nature. All four RQs were open-ended and required appropriate data-gathering methodology to address them. The qualitative case study provided such a methodology. For example, RQ3 addressed different ways that the leadership of CCLS could diversify the library's funding. Leadership is a qualitative issue because it mostly focuses on interpersonal qualities, which are subjective in that they are based on the perceptions of different people, societies, and communities (Han et al., 2013). Qualitative case study provided a plausible ground to investigate such a research issue and allowed me to draw a link between such leadership traits and the quest to diversify financial sources. This methodology also helped to provide an analytical bridge to understand the information obtained from the document review process and the interview.

Qualitative case study also aligned with the contextual approach of the RQs because the RQs only focused on one organization, Clayton County Library System (CCLS). This view reinforces the assertions of Stanford Center (2014), Thatchenkery (2005), and Yin (2015), who said that qualitative research approaches are often applicable in studies that have a small scope. This was particularly true for this analysis

because qualitative case studies often involve the use of interviews as a key data collection technique. Interviews are easily applicable in small research contexts because of the practical considerations of the data collection technique. In other words, it is often difficult to interview many people who are dispersed across a large geographical area, especially in studies that have a wide scope. Therefore, the qualitative case study approach helped to answer the RQs, which were contextual to the CCLS system only.

Definition of Terms

Following are definitions of terms as used in this study.

Digital age: The current era, characterized by the transition from an industrialized to a computer-reliant global economy. Technically, this period started in the 1970s, with the introduction of personal computers. Technological advancements have helped to redefine this period by making it easy for computer users to obtain or transfer information. Besides the heavy reliance on personal computers, the increased use of the Internet as a global platform for information and knowledge sharing also characterizes the digital age. Other names used to capture the concept of the digital age are synonyms such as *computer age*, *information age*, and *new media age* (Pavlik, 2013).

Financial diversification: This is an economic strategy used to manage risks. Financial experts have used diversification to manage risk portfolios by reducing the risk of one security by spreading it across different investments (International Monetary Fund, 2013). Experts may do so by investing in different types of assets or by mixing different types of investments (International Monetary Fund, 2013). In the context of this study, *financial diversification* refers to the process of seeking new ways of generating revenue

to supplement the operational expenses of a public library. This strategy could help such organizations to terminate or, at least, reduce their reliance on public funding.

Financial mitigation: A process whereby the severity of an adverse effect is lessened (International Monetary Fund, 2013). In this study, the term is used to describe the reduction of financial exposure of public libraries.

Financial sustainability: The economic state of a country, person, company, or institution that is resistant to economic instabilities; thus, financially sustainable entities are able to fulfill their basic functions with ease (International Monetary Fund, 2013). In this study, the concept of sustainability denotes a state in which the CCLS would be immune to economic shocks that cause an unstable financial cash flow.

Generalizability: The findings of a study can be applied to a wider population beyond the sample studied. Here, it means that the views detailed in the study may also reflect the views of a wider population that shares similar characteristics with the sample (Patton, 2002). In the context of this study, the term also refers to the ability to transfer the lessons learned about the financial strategies of the CCLS to other public libraries that have similar characteristics.

Public-private partnership: This refers to collaborative efforts between government enterprises and private enterprises to complete a project (International Monetary Fund, 2013). In this study, the concept refers to a potential relationship that might emerge if public entities (i.e., public libraries) collaborated with other stakeholders in the library sector to promote financial stability in the sector.

Replication logic: In qualitative research, means that two or more cases support the same theory, either by predicting similar results or producing contradictory results but for predictable reasons. This process improves the generalizability of the findings obtained (Maxwell, 2013). For example, when researchers knowledgeable in modern portfolio theory execute a case study on libraries akin to CCLS, the recommendations from the study regarding diversification of funding sources that can be transferable to other library systems having similar challenges as CCLS. Especially when multiple case studies are involved (Thatchenkery, 2005). This theory relates to inventive ways by which CCLS maximizes its funding within a variety of sources and executes financial divergence as a strategy for sustainability.

Assumptions and Limitations

This section presents the assumptions and limitations pertaining to the study.

Limitations

This study focused on Clayton County, Georgia, with special emphasis on understanding how the CCLS could improve its financial sustainability by adopting a financial diversification strategy. Within this scope in mind, I endeavored to promote a deeper understanding of public policies and administrative practices that underscored the financial problems of the case in point and, by extension, of public libraries that share similar characteristics. Thus, participation in the study was limited to individuals who understood the financial practices of public libraries and were either at the time of the study or previously working at the CCLS. Furthermore, a special bias existed for collecting the views of professionals who occupied positions within the administrative

structure of the CCLS because they were familiar with the financial practices of the library system.

One limitation of the study may have been the limited number of respondents available ($N = 18$) for interviews, given their busy schedules. When developing the interview protocol, the busy schedules of top library administrators and their potential unavailability during the time span scheduled for data collection had to be taken into account. Furthermore, based on the time frame of this study, the possibility had to be considered that some of the library personnel—that is, potential respondents—retired, moved to other positions in other library systems, or left the service. Despite these limitations, I made a vigorous effort to recruit an adequate number of uniquely qualified respondents.

Methodological limitations of this study also had to be considered. For example, the case study design might limit generalizability (Maxwell, 2013). Similarly, because a case study often involves only one researcher, as does a study for which an academic degree is being sought, the possibility of researcher bias had to be considered. Other potential methodological weaknesses of the study arising during content analysis are outlined in the Data Analysis section of Chapter 3. The limited availability of research materials could affect the study's credibility; in this regard, observed trends may not necessarily reflect the true picture regarding the adoption of a financial diversification strategy at the CCLS.

To address these limitations, the findings of this study were subjected to review by an independent committee. The committee identified areas of commission or omission

requiring correction. Similarly, when availability or unavailability of research data limited the application of the content analysis method, I made every effort to ensure that sufficient objective materials were obtained when applying the theoretical framework.

Threats to quality could also be considered limitations of the study. Such threats could affect the theoretical validity, construct validity, or internal validity of the research. Patton (2002) noted that threats to theoretical validity may arise from unnecessary duplication of research information and theoretical isolation. He added that threats to construct validity emerge mainly from respondents providing nonfactual information to either challenge or please the interviewer. To guard against such problems, established theories and concepts developed from earlier findings to support the research outcomes to the research questions posed for this study were carefully considered. Efforts were made to relate to, but not duplicate, earlier findings that were pertinent to those of the current study. In addition, to ensure validity and guard against bias, obviously biased responses were not included in the final report.

Assumptions

Five assumptions were made in this study.

1. First, it was assumed that financial diversification makes an organization more sustainable, and hence would make the CCLS more sustainable.
2. Then it was assumed that library administrators understood the financial situation of their libraries. In this regard, it was also assumed that the administrators desired to change the prevailing situation and make libraries more financially sustainable. This assumption implied that the library

administrators had the desire to further their understanding regarding the nature of the financial woes besetting public libraries and, consequently, of strategies that could mitigate existing conditions.

3. The third assumption in this study was that the respondents would be knowledgeable about the financial practices of public libraries based on their holding administrative positions in the hierarchical structure of the organization. The research design addressed concerns in this area and outlined a framework for ensuring that the findings were valid.
4. It was assumed that a qualitative research design would be the most suitable methodological approach for understanding the operations of public libraries and the possibility of realizing financial sustainability by adopting a financial diversification strategy. In this sense, it was assumed that a qualitative research design could gather the most useful views from the respondents and profit from the experience of key interviewees. Although the methods section indicates that the results of this study were tendered as descriptive findings, it was, nevertheless, assumed that the inclusion of expert opinions, together with the qualitative approach of the case method, would provide a more focused understanding of the phenomenon under study.
5. Last, the sampling technique was chosen because, being an insider at CCLS, I was conversant with some of the issues in the organization. Furthermore, I knew which employees, or cadres of employees, would help me with the information I needed for the study. Having worked in the public library sector

for a while, I believe I had the sound judgment necessary to execute the sampling technique and to control my own bias while taking advantage of my insider knowledge, which was a fine balance. Methods to mitigate these biases are discussed in the third chapter.

Scope and Delimitations

Scope

The American Library Association (2013b) stated that American libraries are currently experiencing the greatest threat to their financial stability in their history. Instead of conducting a sweeping statistical survey of the financial strategies in Georgian and other American public libraries, I used the case method to focus on one institution, the CCLS in the state of Georgia (Stanford Center for the Study of Language and Information, 2014; Yin, 2015).

Essentially, the scope of the study pertains to the CCLS. The feasibility of adopting a financial diversification strategy in this public library was investigated. The first step was to gain a thorough understanding of the financial practices of the case in point. Then, I examined the possibility of improving its financial standing through the adoption of an economic diversification strategy. The CCLS (2014) has approximately 30 supervisory staff and caters to the needs of everyone in the community. Based on this dynamic, the study may lack randomness, but the research design may, nevertheless, allow generalization of the results to other public libraries with similar characteristics. It does so because this investigation focused on the financial practices of public libraries in

general or varied cases, as explained earlier in connection with the concept of replication logic.

Delimitations

Strong (2014) defined delimitations of a study as the unforeseen factors that characterize a research process. Delimitations could also be self-imposed conditions on the study that limit it (Strong, 2014). This study had only two delimitations. The first delimitation was imposed by limited access to some respondents. The research design was aimed at garnering the views of library administrators with very busy schedules. The limited time frame available for conducting this study was capable of affecting the quality of information obtained from key informants. Library policies regarding employee conduct could also have imposed other delimitations. Responses given by employees of the library were subject to the limitations set by the organizational code of conduct. Thus, some employees may not have been able to give responses that would have been highly germane to the study yet contravened their policy frameworks. Given the fact that information regarding the financial practices of the CCLS was sought, some employees may have felt that discussing the financial practices could cause security issues for their organization. To mitigate this concern, I sought managerial consent before interviewing employees. In this way, the employees were aware that management had approved their participation in the study. Furthermore, the employees were informed that the information obtained would be used mainly for academic purposes. Confidentiality of the process was also guaranteed. I did not consider broadening the analysis beyond the case of the CCLS in the state of Georgia.

Significance of the Study

Contributions

Public libraries provide important support services to social and economic institutions. However, poor economic conditions and increased public access to knowledge and information through the Internet have threatened their relevance and even their continued existence (Mapulanga, 2012). This study adds information to the debate surrounding the adoption of a financial diversification strategy in public libraries by exploring alternative strategies that such institutions might adopt to achieve financial stability. This goal aligns with past reports that showed people's appreciation for the value of public libraries in the social and economic development of many communities (American Library Association, 2014a; Mapulanga, 2013). For instance, the American Library Association (2014a) quoted a recent public agenda survey that had more than 80% of the population stating that public libraries should still provide free public services to the community. It further stated that such a requirement should be a top priority of such institutions. This survey showed that most people believed that the services offered by public libraries were more important than other services offered, for example by the police or public parks (American Library Association, 2014a). These statistics revealed that many individuals supported increased funding for public libraries. This outcome further reinforced the findings of the Pew Research Center (as cited in Glen, 2013), which showed that more than 91% of Americans 16 years and older believed that the closure of public libraries affects the communities from which the patrons hail. In fact, 63% of these respondents believed that such closures would have a "major" impact on

communities (Glen, 2013). This study was thus expected to advance scientific knowledge regarding how public libraries could sustain their usefulness by improving their financial positions through financial diversification. To do that, the study was designed to highlight structural, legal, and operational issues that must be considered when one plans to adopt a financial diversification strategy. By sorting out these issues, public libraries will be in a better position to continue providing their social services. Furthermore, future researchers will be in a better position to know what to consider when recommending new financial strategies for improving the financial stability of public libraries. While this topic was well deliberated in local workshops, it had not yet moved into formal publications such as journals. The present study thus provided a way for this topic to achieve formal publication, which could be seen as contributing to scientific knowledge.

Policy Contributions

Exploring strategies for improving the financial sustainability of public libraries could promote policy development by changing management cultures (Albertini, 2013). Such changes would redefine the administrative policies of public institutions and improve public-private partnerships in the community (Mapulanga, 2012). The latter development could come from recommendations to explore different strategies for promoting the financial sustainability of public organizations through private-public partnerships (Reid, 2010).

Because this case study focused on evaluating the possibility of adopting a financial diversification strategy in one institution, the CCLS in Georgia, its findings and subsequent recommendations may introduce policy changes in the region by promoting

financial literacy and improved financial management practices. Such developments may increase financial prudence in both public and private spheres (Coffman, 2013).

Furthermore, they may increase public awareness of the financial challenges experienced by public libraries in the region. Such awareness could encourage policy makers to create local solutions for managing such problems (Bailey, 2011). Providing a proper legislative framework for financial innovation would be one way of doing so. Experts may further apply useful strategies as they emerge from such developments elsewhere in the state of Georgia.

Implications for Positive Social Change

The findings of this study contribute toward filling the gap in knowledge regarding the adoption of a financial diversification strategy in public libraries. By promoting financial sustainability in the CCLS, this study also contributes to the educational and cultural development of Clayton County because the public library plays an important role in providing educational and cultural resources to residents (Massis, 2011). If the CCLS could find a reliable way of meeting its financial obligations, it could improve its services to the community and offer more educational resources to residents. For example, it could increase its working hours and improve access to library services by adding new materials to its collections (Cottrell, 2011, 2012). Furthermore, by improving its financial situation, the library could employ more residents of Clayton County and support several families with salaries earned at the organization (Ghosh, 2011).

Last, a sustainable CCLS could support many local businesses that complement its operations. For instance, local publishers may supply reading materials to the library. Similarly, other vendors who supply educational materials to the library system may support the organization's activities in different ways. In this manner, a number of people who run businesses in Clayton County could depend on the library for earning a living. Due to these uncertain economic times and reduced public funding, such businesses also run the risk of closure (McMullen, 2011). Thus, the CCLS could play a greater supportive role by promoting community development within its reach. Improving its financial position would allow the CCLS, reciprocally, to assist in improving local business. After a committee of library and information community members have reviewed the findings of this study, which will also be subjected to the scrutiny of independent review by the university's doctoral research supervisors, the findings can be considered to have high reliability and validity. The results of the study could, therefore, be useful to library administrators and policymakers who influence funding decisions of such organizations and prove beneficial for the community of Clayton County, Georgia, and beyond.

Summary

The purpose of this study was to provide a thorough understanding of the unique structural, legal, and operational dynamics associated with adopting a financial diversification strategy in the CCLS and explore what would support or, conversely, hinder the implementation of such a strategy. The research questions aligned with this purpose and guided (a) the exploration of the structural implications of adopting a

financial diversification strategy at the CCLS, (b) the investigation of legal considerations in adopting a financial diversification strategy at the CCLS, and (c) the exposition of operational implications of adopting a financial diversification strategy at CCLS.

Responses from the interviews and document review provided the missing knowledge with respect to financial diversification in the public library sector. Evidence emerged from a qualitative assessment of the views of library administrators and past research studies that had investigated the same issue. These processes were studied in light of modern portfolio theory, which was the main theoretical framework because it can be used to explain how organizations achieve financial stability through financial diversification. Using this framework, the findings of the study may promote positive social change by improving the financial stability of libraries and supporting them in carrying out their social responsibilities of providing access to information and furthering literacy. Additionally, the findings can expand the boundaries of the theory by addressing the structural, legal, and operational issues surrounding financial diversification in the public library sector.

In Chapter 2, I provide a review of the literature and discuss previous studies that investigated the research phenomenon. I review pertinent literature to broaden the understanding of the current financial status of public libraries and the difficulties they are facing in these uncertain economic times. A description of the literature search strategy is provided, along with key search terms that I used. In addition, the chapter presents a theoretical foundation for alternative funding through financial diversification strategies. In Chapter 3, I present the research methods, including the case study approach

and a rationale for selecting this method. I also explain how the case study method was complemented by interviewing a sample of knowledgeable respondents who had held or did hold administrative positions in the hierarchy of the library administration as well as some experienced grant writers from the library sector. The results of the study are presented in Chapter 4. Conclusions are drawn based on the findings in Chapter 5, and recommendations are offered for practical application and further research on the topic.

Chapter 2: Literature Review

Introduction

Financial diversification is a strategy used by many organizations to improve their financial positions. However, few studies explain how this strategy could work in the public library sector (Alqudsi-Ghabra & Al-Muomen, 2012; Coad & Guenther, 2014; Cuillier & Stoffle, 2011). Based on this background, I reviewed the scholarly literature with respect to financial diversification and its potential application in the public library sector. This chapter presents three main issues: (a) the background of U.S. public library funding, (b) current financial challenges for U.S. public libraries, and (c) alternative strategies for public library funding. This information helps to narrow the research gap related to lack of sufficient information about the application of a financial diversification strategy in public libraries. The information contained in this chapter also met a specific research goal set for this study, namely, to explore the feasibility of adopting a diversification strategy for funding sources to become financially sustainable at CCLS. The theoretical framework of modern portfolio theory was used to undergird the exploration of how to bring financial diversification strategies to the public library sector. The chapter begins with an explanation of the literature search strategy, followed by a presentation of the theoretical basis for the analysis and the inherent definitions and organizational structures of public libraries in the United States. These analytical areas provide the context for evaluating the three aforementioned areas of the topic under study.

Literature Search Strategy

My literature search strategy was to retrieve information mainly from peer-reviewed journals that address financing issues in the American library sector. Supplementary research materials came from institutional websites and classic scholarly papers that investigated the same issue. Keywords used in the search included *library funding*, *Clayton County Library System*, *library closures*, *modern portfolio theory*, *library trends*, *alternative strategies for funding*, and *public library management*. I conducted the search with various search engines, including Political Science Complete, Business Source Complete, SAGE Premier, Google Scholar, Emerald Insight database, Google Books, and other Walden University research databases. For the initial research, keywords were typed, and words such as *public libraries in America* were added. This search strategy produced 187 articles for the literature review. To find the most relevant articles, research papers that were more than 5 years old and those that were not peer-reviewed were excluded. This process left over 114 articles included in the References section. When I faced challenges regarding the availability of research information, findings from other parts of the world were used and compared to those from the United States. However, deliberate efforts were made to focus on developed countries with social, political, and economic characteristics similar to those of the United States.

Theoretical Foundation

The theoretical foundation of this study was based chiefly on modern portfolio theory. This theory emerged from the concept of diversification and from the need to improve financial stability. Corporate diversification is a common strategy in the

corporate, or for-profit, sector. Essentially, the concept hailed from the common adage “never put all your eggs in one basket” (Cross, 2011, p. 140). This theory emerged from Markowitz’s *Portfolio Selection*, introduced in 1952. This work has evolved through the works of other researchers such as Tobin and Sharpe, who have won Nobel prizes because of their contribution to the understanding of portfolio diversification (Francis & Kim, 2013). Today, such works have influenced different people in different sectors, including portfolio management, individual investment decision making, and economics (Francis & Kim, 2013). Metaphorically, proponents of the theory hold that betting on one stock as the only financial strategy amounts to lack of diversification (Okojie, 2010). Diversification involves betting on different stocks. In the context of this study, depending on one funding source to finance library operations would amount to investing in one stock. Therefore, changing this status, or diversifying, means seeking alternative sources of funding. Alqudsi-Ghabra and Al-Muomen (2012) noted that one common benefit of doing so is to reduce the risk associated with relying on a single source of funding. The same principle that applies to the financial markets also applies here. For example, Cuillier and Stoffle (2011) wrote that it is common for one stock to lose its value by more than 50%; however, it is uncommon for a portfolio that has different stocks to lose its value by a similar margin. Modern portfolio theory builds its concepts on this premise as it strives to maximize returns and reduce portfolio risk.

One important contribution of modern portfolio theory in the financial field is its exhortation to investors to think about and compare the riskiness of a portfolio to that of a single security (Quantitative Solutions, 2012). Its contributions have mainly applied to

the financial markets by encouraging investors to invest in different stocks, as opposed to one stock. Based on this analysis, modern portfolio theory highlights two types of risk: systematic risk and unsystematic risk (Quantitative Solutions, 2012). *Systematic risks* are not industry specific. Furthermore, avoiding systematic risks is difficult; therefore, they are also called *unavoidable risks* (Cuillier & Stoffle, 2011). For example, the 9/11 attack on the World Trade Center was a systematic risk. *Unsystematic risks* are industry-specific risks and are, therefore, diversifiable (Quantitative Solutions, 2012). Modern portfolio theory bases its principles on the unsystematic-risk category because managers can diversify risks in this category. Figure 1 shows how modern portfolio theory encourages the diversification of unsystematic risks.

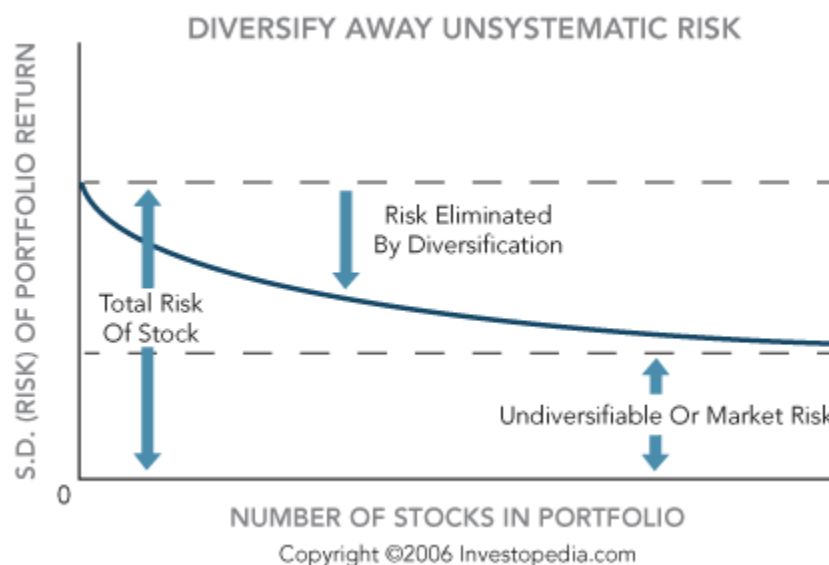


Figure 1. The modern portfolio theory diversifies away unsystematic risk. Adapted from “Modern Portfolio Theory by Quantitative Solutions,” 2012, p. 1. Copyright 2006 by Investopedia.com. Reprinted with permission.

When using the stock market analogy, it is crucial to point out that the more stocks one person holds, the lower the investment risk (Alqudsi-Ghabra & Al-Muomen,

2012). For an investor or an institution looking to invest, it is important to point out that one should select a broad-based portfolio. In the context of the current study, this principle means that modern portfolio theory encourages library administrators to seek a broad funding portfolio. Comprehensively applied, the aim of modern portfolio theory is to minimize risk within a given portfolio. In the context of this study, minimizing risks means seeking alternative funding sources for the CCLS and refraining from depending only on state and municipal funding. Financial analysts perceive diversification mainly in two ways: horizontal diversification and vertical diversification (Alqudsi-Ghabra & Al-Muomen, 2012; Cuillier & Stoffle, 2011). *Horizontal diversification* entails increasing the portfolio with the same type of investments; *vertical diversification* involves increasing the portfolio with different types of investments (Alqudsi-Ghabra & Al-Muomen, 2012). In this chapter, the literature about both types of diversification is reviewed.

The Link Between Modern Portfolio Theory, and the Diversification Concept.

Revenue diversification is a relatively recent practice outside the financial sector (Deborah & Jones, 2009). According to portfolio theory, revenue diversification has far-reaching implications for a not-for-profit firm because it will affect its revenue stability (Deborah & Jones, 2009). This effect has been a critical policy concern in not-for-profit firms and institutions (Alqudsi-Ghabra & Al-Muomen, 2012). One reason for adopting diversification is the benefits associated with it. Diversification is an old concept in corporate and institutional research (Alqudsi-Ghabra & Al-Muomen, 2012; Paliwal, 2013). Product diversification, geographic diversification, and portfolio diversification

are the main concept divisions reflected in the literature (Deborah & Jones, 2009). Revenue diversification model, in particular bases its strategies on modern portfolio theory. Here, modern portfolio theory shows that different types of revenue sources have different variations. Diversification often reduces this variability. To explain this concept in detail, Kang (2013) stated that diversification encourages increased investment among different firms, thereby reducing revenue and profit volatility. In the same breadth of analysis, Paliwal (2013) stated that most firms could lower their financial risks by mixing different security holdings. Doing so often reduces the financial risk of one security and allows the overall growth of the broad portfolio over time. The same explanation applies to the revenue structure of nonprofit organizations. Stated differently, a balance of different revenue sources could increase the financial stability of the institution, thereby reducing its overall financial risk in the long term (Alqudsi-Ghabra & Al-Muomen, 2012; Deborah & Jones, 2009). Developing multiple and imperfectly coordinated sources of revenue is the best way of realizing the described advantages (Paliwal, 2013). Here, it is important to point out that diversification theory strives to eliminate unique and unsystematic risks.

Nonetheless, even diversified portfolios are to some extent subject to market risks that affect other businesses as well (Alqudsi-Ghabra & Al-Muomen, 2012; Deborah & Jones, 2009). This fact closely aligns with the views of proponents of dependency theory. Advocates of dependency theory maintain that there is no need for diversification when resources are abundant because external dependency is not a problem (Tkachenko, 2012). However, during times of limited resources, organizations have to come up with

innovative strategies to safeguard their dependency. This is precisely the situation that many public libraries around the world are currently experiencing. Resource dependency theory holds that organizations frequently put themselves into precarious situations by relying on only one institution or organization to supply vital resources or funds (Hood River County Libraries, 2010). This argument is borne out by the precarious financial position of American public libraries, as the contractual relationships they share with other organizations encourage a dependent relationship in which the library relies on state resources for funding (Tkachenko, 2012). This relationship also affects the policies libraries are adopting. Using several measures to explore the impact of diversification on nonprofit institutions, Arawomo, Oyelade, and Tella (2014) found that organizations that have diversified their sources of revenue generally enjoy better financial positions than those that depend on only one source of income.

Limits of Diversification Theory

Although many of the studies reviewed showed the advantages of diversification, some scholars observed that diversification can also have negative consequences (Arawomo et al., 2014). For example, while firms may improve their financial positions by seeking external funders, they also have to contend with the demands of each financier. In an independent study of 172 nonprofit organizations, Tkachenko (2012) observed that financial uncertainties can exist even when diversification entails seeking self-generated revenues. In line with this concern, Lin, Chang, Hou, and Chou (2014) showed that diversification could cause mission displacement because many organizations would be preoccupied with meeting their diversification objectives, as

opposed to fulfilling their organizational goals. The possibility of professional elites controlling the organization is also high if firms pursue a diversification strategy (Lin et al., 2014). Overall, many scholars have agreed that an organization's leadership composition, mandate, size, and age affect the quest to adopt a diversification strategy (Alqudsi-Ghabra & Al-Muomen, 2012; Deborah & Jones, 2009). In fact, with respect to diversification, Alqudsi-Ghabra and Al-Muomen (2012) wrote, "Examining nonprofit revenue diversification is important not only in understanding nonprofit financial management dynamics, but also in informing nonprofit financial sustainability" (p. 214). Using data from more than 500 organizations, Deborah and Jones (2009) also revealed that management, investment, and environmental measures affected firm diversification strategies. In a study designed to determine whether revenue diversification improves the financial stability of nonprofit organizations, Paliwal (2013) stated, "Nonprofits can indeed reduce their revenue volatility through diversification, particularly by equalizing their reliance on earned income, investments, and contributions" (p. 6). The positive impact of diversification on financial stability also shows that modern portfolio theory, which encourages firms to diversify their portfolios, encourages revenue stability and greater organizational longevity.

Organizational complexities and crowding out may impede an organization's quest to improve its financial stability. Antonios, Olasupo, and Krishna (2010) encouraged the managers of nonprofits to seek additional revenue streams to improve their financial positions. Research conducted by Gholamreza, Ramadili, and Taufiq (2010) showed that older organizations were in a better position to adopt a financial

diversification strategy because they had a stronger profile and credibility compared to younger organizations. Therefore, younger organizations were bound to experience a more difficult time when they sought to attract funders, as they had weaker legitimacy than their older counterparts did (Gholamreza et al., 2010). The implication of this assessment is that, before new organizations seek alternative sources of funding, they need to build a strong reputation to improve their image in the eyes of potential investors. Then, when potential investors view them as stable and credible organizations, they can get additional funding. Small organizations suffer from problems similar to those that affect young organizations; they also are bound to have a difficult time increasing their revenue streams compared to medium-sized or large organizations (Gholamreza et al., 2010). Large organizations are in a better position to benefit in this regard because their high capacities enable them to pursue alternative strategies for improving their financial stability. Their high recognition within the community also improves their appeal to donors because they are more attractive to investors than small organizations (Gholamreza et al., 2010). In line with this assessment, Paliwal (2013) stated, “Organizations with a broad appeal, that is, those whose mandate resonates with many segments of the population, are more successful in implementing a revenue diversification strategy than are those with narrower mandates” (pp. 8-9). In line with this statement, Deborah and Jones (2009) highlighted the importance of organizations adopting a revenue diversification strategy that is in sync with their organizational dynamics. In this regard, organizations should consider how and when to choose a revenue diversification strategy that aligns with their size and characteristics. Based on

the organizational dynamics highlighted in this document, public libraries need to consider how a diversification strategy would work in light of their age, size, history, record of accomplishment, and organizational mandate.

How the Theories Relate to Public Policy and Administration

The issues spanned by public policy and administration are wide in scope. Coad and Guenther (2014) wrote that key tenets of public policy include “human resources, organizational, theory, policy analysis, statistics, budgeting, and ethics” (p. 857). For a long time, researchers have associated public management with the promotion of the public good. However, the recent public-management dogma has been more concerned with new and market-driven government operations (Coad & Guenther, 2014). Some researchers have referred to this view as the “new public management” (Deborah & Jones, 2009, p. 948; Gholamreza et al., 2010, p. 4173). This new view aims to reform government practices by reforming the professional nature of government services. Based on this understanding, public administration theory underscores the focus of this study, which highlights the meaning and purpose of government through its institutions. Here, issues of governance, budgets, and public affairs take center stage (Deborah & Jones, 2009; Gholamreza et al., 2010).

The content of this study appeals mainly to public management dogma, which borrows administrative and functional areas from the private sector and applies them to public management concepts (Coad & Guenther, 2014). Particularly, this discipline aims to borrow important management tools from the private sector and apply them to the public sector to improve its efficiency and effectiveness. Here, it is easy to show the

contrast with the public administration structure, which highlights the social and cultural attributes of the public sector that set it apart from the private sector (Coad & Guenther, 2014). Because the public policy structure is broad, the content of this study underscores three tenets of the public policy structure: organizational theory, policy analysis, and budgeting. From a budgetary point of view, one might assume that financial stability is the function of a steady and dependable revenue structure, and because public libraries are public institutions, these revenues should benefit the public (Alqudsi-Ghabra & Al-Muomen, 2012; Coad & Guenther, 2014). However, from an administrative perspective, these revenues should also be available to cover administrative expenses such as automation upgrades and revenue shortfalls. With the adoption of a diversified financial structure, one may assume that no major changes in the library governing structure would occur.

This study highlighted in a comprehensive manner, financial management issues that affect public libraries in America. Therefore, financial management theories reviewed in this study may be useful in supporting these libraries as they conduct their operations in a fiscally responsible way. From a policy perspective, American public libraries should invest library funds in a way that does not infringe on existing statutes, which outline public funds management (Alqudsi-Ghabra & Al-Muomen, 2012; Coad & Guenther, 2014). This goal aligns with the objectives of public administration, which focuses on implementing government policies. As a field of inquiry, finding alternative sources of funds to improve financial stability of public libraries would be useful in improving the functions, and goals of public libraries through the improvement of

government functions. At the core of this assessment is the study of government decision-making, and policy-analysis processes (Alqudsi-Ghabra & Al-Muomen, 2012). The inputs that outline these processes, and the work necessary to produce alternative policies would also be useful in understanding this output.

Rationale for Choosing the Theoretical Framework

Francis and Kim (2013) defined a theoretical framework as an analytical tool for understanding a research phenomenon. Effective theoretical frameworks analyze a real phenomenon, and analyze it in an easy-to-understand manner, noted the authors. Modern portfolio theory is appropriate for this study because it focuses on social economics. As other chapters of this document showed, this theory was applicable to institutions and companies that suffer from financial problems stemming from undiversified risk (Okojie, 2010). Such was the problem that has plagued public libraries in the United States for some time. Libraries have suffered from budget cuts that have constrained the financial flow from the main, and often the only, source of income: public funding (Hood River County Libraries, 2010). Therefore, modern portfolio theory provides a framework that help these institutions to solve their financial predicament. Furthermore, other researchers have applied the theory in similar contexts quite successfully (Alqudsi-Ghabra and Al-Muomen, 2012). For example, financial experts have applied the theory in different project portfolios (Okojie, 2010). Its application has also stretched to nonfinancial disciplines, including regional science, and social economics as applied in this study (Cross, 2011). Some researchers have used portfolio theory to explain labor movements in America (Cross, 2011). Some of Cross's (2011) work have also applied the theory to

explain the relationship between economic growth, and economic instability. Recent applications of modern portfolio theory stretched into psychology, and modeling of correlations between documents when retrieving information (Okojie, 2010). The purpose of doing this was to increase the relevance of a document, while reducing the associated uncertainty of getting irrelevant information. Overall, these applications showed that the theoretical framework is reliable in many social and economic contexts. This justifies its use in this study.

The resource-based view is an alternative concept that explains the need for corporate diversification (Armstrong, 2010). This view underscores the need to diversify as a strategy for companies, and institutions to exploit their core competencies (i.e., resources). Usually, companies that pursue this strategy aim to explore their “excess capacity” by deploying resources that are imperfectly tradable in the market (Armstrong, 2010). Proponents of this view developed it as a concept for explaining the need to seek alternative businesses (Armstrong, 2010). However, scholars started to appreciate its use in the 1980s as an instrumental tool for explaining synergies, and economies of scale (Armstrong, 2010). Andissac et al. (2014) argued that for companies to apply the resource-based view, they should have trouble exchanging their resources in the market. This strategy aligns with the assertions of Francis and Kim (2013), and their views on transaction-based economics. Researchers have used this concept to explain horizontal and vertical diversification strategies in the past (Francis & Kim, 2013).

Critique Leveled at Modern Portfolio Theory

Opponents of modern portfolio theory advance their criticisms of the theory based on behavioral economics mainly. For example, Alqudsi-Ghabra, and Al-Muomen (2012) questioned whether the theory outlines an ideal investment strategy. The authors believed that, although the theory is widely applicable in financial circles, it does not necessarily apply in a real-world setting. The efforts of some statisticians who have tried to translate the theoretical components of the theory into a practical algorithmic formula have affirmed this concern (Okojie, 2010). In the process, they have experienced significant challenges, which stemmed from the technical problems associated with unavailable data (Francis & Kim, 2013). However, proponents of modern portfolio theory affirmed that including a penalty would solve this problem. Aside from these main criticisms leveled at modern portfolio theory, the model has often been criticized for its expansive assumptions (Francis & Kim, 2013).

The first assumption of modern portfolio theory is that all investors are interested in maximizing their returns (Francis & Kim, 2013). However, the theory's critics argued that, pragmatically, this may be false in that utility functions often vary across a given range (Francis & Kim, 2013). In this respect, Okojie (2010) believed that the theory has a flawed assumption on returns. The second assumption of modern portfolio theory stems from the efficient-markets hypothesis, which states that all investors are rational, and risk averse (Francis & Kim, 2013). However, the theory's critics contended that some investors are irrational when making financial decisions (Cross, 2011). Furthermore, they believed that even rational investors often do not display this behavior (i.e., rationality)

consistently (Cross, 2011). Another disputed assumption of the modern portfolio theory is that transactions have no tax consequences or transaction costs (Francis & Kim, 2013). Here, the theory's critics argued that most real products are taxable, and have an associated transaction cost (Cuillier & Stoffle, 2011). Furthermore, they asserted that these costs, in fact, change the performance of every portfolio analyzed (Cuillier & Stoffle, 2011). Last, modern portfolio theory assumes that all investors predetermine the risks, and understand them in advance (Francis & Kim, 2013). However, critics of modern portfolio theory believe that most experts miscalculate these risks, as seen in the recent 2007/2008 global financial crisis, and the economic turmoil that affected most European economies over the last decade (Andissac et al., 2014). Here, researchers have used the theoretical framework to make distinctions about supply-and-demand forces, and their effect on the behavior of consumers, and companies in the market. In this study, the theoretical framework help in organizing different ideas that emerged during the research. Furthermore, its application provided a model for addressing some of the inherent challenges, and gaps created by the failure of public institutions to adopt mainstream corporate strategies to improve their financial performance.

This study contributed to the expansion of modern portfolio theory because there are currently no systematic methods available for portfolio selection, and financial diversification in financial management of public libraries. Most of the researchers who applied modern portfolio theory showed how it worked in organizations that diversified. Comparatively, they have paid little attention to organizations that have poor structural compositions' and thus, found it difficult to accommodate such financial diversification

strategies. Public libraries are just such institutions, in that their operational structures do not openly accommodate financial diversification, as compared to private entities. Because this study focused on CCLS, which is a public organization, the findings of this study will contribute to the growing body of knowledge regarding diversification in the public sector. This study's main contribution is, thus, in the area of theory development with respect to the public sector. Yet, to appreciate this contribution to theory development, it is pertinent first to understand the nature of public libraries on which this application of the theory is based.

What Are Public Libraries?

Public libraries differ from other types of libraries because they offer their services to all types of people in a nondiscriminatory manner. Wells (2014) stated that there are more than 16,000 public libraries in the United States, which depend on state funding to provide their services. These libraries have unique characteristics that set them apart from other types of institutions. For example, an appointed board manages the activities of these libraries, and makes sure they serve the public interest before any other concern (Kim, 2011). Another characteristic is open access. That is, anybody can use these libraries. This characteristic closely aligns with the third characteristic of public: the voluntary use of its services (Wells, 2014). In other words, government does not coerce library users to use these services. Last, these libraries provide free services. Based on these characteristics, public libraries have limited options for getting financial means.

The American Library Association (2013a) wrote that public library administration generally occurs at county, state, or local levels. In the United States, many cities have at least one public library, but in outlying areas, county administrations may provide library services. State libraries are often the main repository of the information contained in these public libraries. The 50 states of the United States of America have similar structures for managing public libraries; however, their organizing principles vary. The next section outlines the different organizational structures that shape their operations.

Organizational Structure of Public Libraries in America

Similar to the structural diversity of modern businesses, public libraries have different administrative structures that define how organizational processes are carried out. Thomas (2010) wrote that the typical organization structure of a public library consists of three elements: public services, technical services, and administration. Public services refer to front office staff that interacts with the customers. The technical level comprises employees or groups of professionals who work behind the scenes to prepare materials for the clients (Dukić & Dukić, 2014). The administration level makes sure that the library's activities align with the goals or vision of the parent organization (American Library Association, 2013). However, for public libraries, the administrative structure often makes sure that the organization's activities align with county goals as well. Table 1 summarizes the functions of each of the structural levels of a public library.

This chapter concentrates mainly on the roles played by the administrative services division of public libraries. Library administrations usually oversee the financial

operations of public libraries. However, before discussing these operations, it is important to understand the background and history of public library funding in America.

Table 1

Functions of the Structural Level of Public Libraries

Structural level	Functions
Public services	<ul style="list-style-type: none"> ✓ Helping clients locate materials in the library ✓ Offering advisory services, especially to patrons who seek library information ✓ Circulation services ✓ Book selection
Technical services	<ul style="list-style-type: none"> ✓ Cataloging (i.e., preparing a record for new books and assigning them to the existing registry) ✓ Processing new library materials (i.e., assigning a book jacket, labels, or bar codes to new and existing library materials) ✓ Acquiring new library materials for the institution ✓ Bindery preparation ✓ Repairing damaged library materials
Administrative services	<ul style="list-style-type: none"> ✓ Maintaining a cordial relationship with the parent organization, county, and municipality ✓ Preparing the library budget ✓ Maintaining a cordial relationship with the library board and other stakeholders in the library sector ✓ Formulating internal organizational policies ✓ Authorizing the payment of invoices ✓ Overseeing specific human resource functions

Background and History of Public Library Funding in America

The history of public library funding in the United States traces its roots to the first establishments of public libraries, in 1656 (Harris, 1995, p. 182). Historians documented that a Boston merchant, Robert Keayne, was among the first to make his books available to the people for public use (Harris, 1995, p. 182). He used mainly his own money to finance the operation. Other historians believe that Benjamin Franklin

started the first public library in America, in 1731 (American Library Association, 2013).

The variations in the dates depend on the definition of the term public library and the types of services offered by these institutions. However, the proliferation of public libraries in America stemmed from the work of the Scottish-American philanthropist, Andrew Carnegie (American Library Association, 2013). He financed more than 2,000 public libraries in the country. His philanthropic work started in 1889 when he built his first public library. Since then, more than 16,000 public libraries have been built in America (American Library Association, 2013).

Although individuals financed public libraries during the 19th century, the church quickly joined this movement, and started to make books available to the public (Harris, 1995). Their sources of funding came mainly from well-wishers. Kingdom Chapen Library in Boston, Massachusetts, was among the first establishments funded by donations of well-wishers from Europe (Donnelly, 2014). Between 1695 and 1704, the Catholic Church established more than 70 public libraries in some former colonies in what is now the United States of America, and financed them by the same methods: donations, and gifts from well-wishers (Harris, 1995). In 1731, a new model of library funding took root in the colonies: subscription funding (Black, 2011). This model of funding charged users a fee for borrowing books. It was started by Benjamin Franklin in Philadelphia (Harris, 1995).

The common model of public funding for libraries, as they exist today, started in the late 1800s. In 1854, the Boston Public Library was among the first to benefit from tax funding (Harris, 1995). However, the government did not wholly sponsor this library

because private donations still played a prominent role in supplementing the library's operations (American Library Association, 2013). The first public libraries to depend wholly on state funding were in New Hampshire. Here, legislators introduced a new law that required the state to levy taxes, and use them to fund these organizations (Harris, 1995). The funding model was "free to all, and free of charge" (American Library Association, 2013, p. 5). This model gave rise to the funding model of public libraries, as it exists today. In fact, from the New Hampshire model, other states learned to appreciate state funding as an effective way for underwriting public libraries. In the late 19th and early 20th century, federal funding became a common source of funding for public libraries (Harris, 1995). The legislative push for more public funding increased between 1900 and 1935, when small societies such as the advancement of women's rights groups, and educational movements advocated for public reform, and an increase of state, and federal funding for public libraries (Vårheim, 2014). Although, this public funding model had its challenges, it basically described the funding model used by most public libraries in America today (Casselden, Pickard, & McLeod, 2014). However, private donations and acts of philanthropy also characterized the funding model for American public libraries. For example, in 2008, the Gates Foundation donated approximately \$7 million to public libraries across the country to improve the quality of their services (American Library Association, 2013). Other small groups such as Friends of Libraries, and the Association of Library Trustees and Advocates also provided alternative sources of funding (American Library Association, 2013). The global economic downturn of 2007/2008 has drastically reduced state funding to these institutions (American Library

Association, 2013). Figure 2 illustrates the dwindling funds for public libraries in Ohio, which affected the performance of Licking County Library (2014).

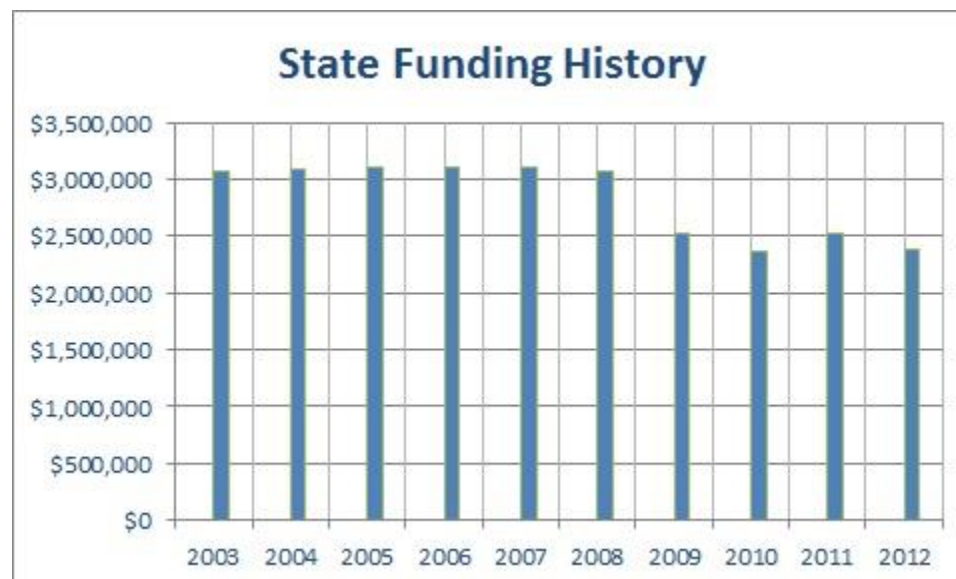


Figure 2. State funding history in Ohio. Adapted from “Library Funding,” by Licking County Library, 2014, p. 1. Copyright 2013 by Licking County Library. Reprinted with permission.

Figure 2 shows that state funding remained relatively constant between 2003 and 2008. However, since then, library funding has suffered from severe budget cuts. The next section examines this issue in greater detail.

Current Financial Challenges Facing U.S. Public Libraries

Public libraries depend largely on local, or municipal sources of funding to finance their activities. Although, these sources of funding have kept them afloat for a long time, recent economic changes, and increased financial pressures on state, and federal agencies have limited the scale of financial funding from public coffers (Goulding, 2012). For example, the 2007/2008 global economic crisis caused a huge

financial problem for state, and federal agencies associated with welfare services because they were unable to maintain their financial outflow to public libraries when there were more pressing financial needs in the country, such as high unemployment rates, and the collapsing financial sector (American Library Association, 2013).

School libraries are also experiencing the effects of budget cuts that have characterized the troubles of public libraries. For example, Ignatow (2011), reported that many school libraries have disengaged some of their workers, or reassigned them to do other duties in the school because of budget cuts. Alternatively, library workers who remained in the library sector have had to contend with pay cuts. For instance, Juniper, Bellamy, and White (2012) asserted that between 2010 and 2011, library workers in American public schools experienced a 2% pay cut. Experts predicted that this trend might continue in the next decade because many American public schools are looking for new ways to save money by consolidating some of their traditional services (American Library Association, 2013). Hood River County Libraries (2010) expressed similar beliefs, and their view that most public schools in America would most likely suffer from the negative impact of decreased public funding, especially through sequestration. Furthermore, academic libraries have suffered a similar fate. The closure of mainstream public libraries has been the main outcome of this process (Hood River County Libraries, 2010). The United Kingdom (UK) and Canada have reported the highest numbers of public library closures because of financial challenges (Juniper et al., 2012). Libraries that have not closed have experienced a significant reduction in library services provided to patrons (American Library Association, 2013).

The School Library Journal (as cited in Hood River County Libraries, 2010) emphasized that the closure of many public libraries due to budget cuts has reduced the overall performance of students, as compared to states that have increased their library services. The National Center for Education Statistics (as cited in American Library Association, 2013) reported that the poor educational standards witnessed by the former stemmed from a reduction in the number of library service assistants. Findings from the Education Law Center of the United States (as cited in Hood River County Libraries, 2010) supported these findings, which showed that students are likely to gain advanced writing skills if they frequented libraries with full-time workers, as opposed to libraries that had only part-time workers, or underpaid workers. These assertions showed that many school libraries would have to face, and manage pressures from budget cuts, and the changing job descriptions of their library workers (Williamson, 2014).

The biggest budget cuts occurred in 2011-2012 when the effects of the global financial crisis began to reach different sectors of the American economy (Ndeshi & Niskala, 2013). Within this period, 5% of American libraries reported decreased funding (American Library Association, 2014). Consequently, many libraries resorted to rebalancing their financial statements. An online survey which sought the opinions of public library administrators in 49 of the 50 states showed that more than 23 states in America experienced decreased funding for 3 years before 2011 (American Library Association, 2014). Only one state reported increased funding from state authorities. Nonetheless, legislative changes in the state required the library to reevaluate its services, and adjust its activities to meet the threshold required of a lower funding level (American

Library Association, 2014). From the sampled states, 16 reported nonsignificant changes in the level of funding from both federal, and state sources (American Library Association, 2014).

To demonstrate the financial challenges that affect many public libraries in America, the American Library Association (2014) averred that public libraries in California experienced a 50% reduction in budget allocations between 2010, and 2011 (the state provided about \$30,000,000 in state funding). The effects of the budget cuts were worse in 2011 when the governor announced the cancellation of state funding for these programs midyear (Ndeshi & Niskala, 2013). Meanwhile, residents polled in California indicated that they wanted a \$50 million increase in government spending for public libraries without an increase in taxes (American Library Association, 2014). However, the state government did not abide by their wishes. Public libraries in Washington experienced budget cuts of a similar magnitude, reported Ndeshi, and Niskala (2013), when the legislature cut state funding to public libraries by more than \$1.4 million between 2011, and 2013. This cut represents a 12.5% reduction in state funding (Ndeshi & Niskala, 2013). Experts declared that state funding of public libraries declined by more than 30% since the 2007/2008 global economic crisis swept over many developed countries. The same professionals estimated that library staffing in the states decreased by a similar margin (American Library Association, 2014). Figure 3 shows the percentage of public libraries affected by budget cuts during the 2007/2008 financial crisis.

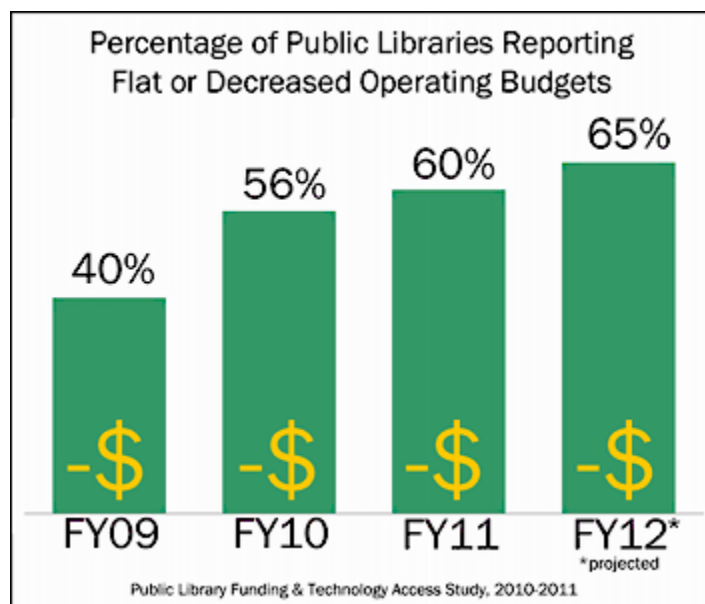


Figure 3. Percentage of public libraries affected by budget cuts. Adapted from “State Funding for Many Public Libraries on Decline,” by American Library Association, 2014, p. 1. Reprinted with permission.

Budget cuts at the local, or county, level compounded the budget cuts in state funding. In fact, the American Library Association (2014) estimated that 42% of public libraries in America experienced major budget cuts at the local level between 2009, and 2013. These compounded financial problems led to library closures in several states. According to Nitecki and Abels (2010), the highest numbers of library closures occurred in Michigan and New Jersey. Libraries that survived the threat of closure now faced their own dilemma with respect to where to introduce budget cuts as they had no other option besides downsizing. The most common effect of these budget cuts was a reduction in operating hours. The American Library Association (2014) stated that, nationally, 16% of public libraries reported a reduction in operating hours. Almost three years after the global financial crisis, the budget cuts still affected urban dwellers. This was a direct

result of the fact that about one third of public libraries reduced their operating hours (Ndeshi & Niskala, 2013).

The financial challenges facing public libraries were not particular to the United States; European and Canadian public libraries also experienced such challenges. For example, the Institute of Fiscal Studies (as cited in Ndeshi & Niskala, 2013) maintained that the budget cuts witnessed in Europe in the preceding 4 years had far-reaching impacts on the public sector, in fact, worse than any other economic crisis that hit the public sector since the Second World War. Many English local authorities, which manage public libraries, are likely to experience these challenges in the future, after the central government makes significant cuts to various public sectors, including public libraries (Ndeshi & Niskala, 2013). Experts estimated that the spending power of these institutions would decline by up to 9% (Ndeshi & Niskala, 2013). Such financial challenges have led to the development of various austerity budgets for prioritizing different expenditure areas that affect library performance.

Although, public libraries continue to suffer from budget cuts, Ndeshi and Niskala (2013) stated that the uptake of library services has risen in the last few years. In line with this assertion, the American Library Association (2014) reported that “not only do visits, and circulation continue to rise, the role of public libraries in providing Internet resources to the public continues to increase as well” (p. 1). Thus, as libraries experience increased pressures weighing on their resources, and staff to meet growing client needs, they are grappling simultaneously with the challenges of decreased funding. The huge financial troubles facing public libraries have forced some of them to become innovative, and

adopt unconventional strategies to save costs (Avdeeva, 2010). Sharif and Demers (2013) noted that a public library in New York recently donated all its physical books, and in their stead, made sure that its users had access to the materials through digital platforms. Before the library made these changes, it provided computers to all its patrons (Sharif & Demers, 2013). Although, this strategy reduced the overall operating costs of the library, a report by Pew Internet and American Life Project (as cited in Hill & Bossaller, 2013) recently published a document suggesting that public libraries should collaborate with their contemporaries, and provide their users with the same services they would offer if they stocked physical books. To comprehend this suggestion, it is important to understand the alternative strategies that could help public libraries to overcome their financial challenges.

New or Alternative Strategies for Public Library Funding

Because of the increased pressure on public libraries to seek alternative ways of financing their activities, some researchers have suggested that these institutions should seek non-tax-based sources of financing (Hood River County Libraries, 2010; Nitecki & Abels, 2010). To get away from the financial pressures experienced by public libraries, Lee and Chung (2012), emphasized the need for public libraries to diversify their sources of funding, and not rely solely on funding through local taxes, state finances, and federal grants. Some common non-tax-based sources include user charges, fines, contracts, and sales. This view aligned with the assertions of Thornton (2014), who suggested that public libraries should consider “events, donations, endowments, and grants” (p. 176) as possible alternative sources of funding.

The main argument made by proponents of diversification was the expansion of library programs that would otherwise be nonexistent if libraries did not get extra money to finance them (Hood River County Libraries, 2010; Nitecki & Abels, 2010). Nitecki and Abels (2010) added that the Literacy Heroes' Breakfast is one such program that allowed libraries to generate extra money to support their activities and, at the same time, increased literacy levels of the community. However, private investors are usually more interested in diversification as opposed to state or local government interventions (Nitecki & Abels, 2010). This is a cyclic pattern of financial support because private investors are more willing to invest in innovative library programs as opposed to government investors, who are more hesitant to do so (Thornton, 2014). Therefore, public libraries that diversify, and support innovative programs are likely to benefit in this regard.

Community involvement is another advantage associated with diversification in public libraries. It stems from the belief that most public libraries that adopt diversification strategies are likely to benefit from increased community participation, or involvement in their activities (Johnson & Griffis, 2014). Consequently, community involvement promotes the public image of the libraries, and increases the level of community support and visibility of these institutions. To highlight this fact, Nitecki & Abels (2010) admitted that public libraries that diversified their operations often got enough capital to finance large marketing, and advertisement programs. For example, public libraries that market their grants at a public mall could get increased community

support when shoppers decide to frequent the libraries, and exploit the available grants (Huysmans & Oomes, 2013).

Many financial analysts support a diversification strategy to improve financial stability in public libraries. Critics say that public libraries should refrain from adopting corporate-style strategies, and instead, focus on lobbying lawmakers to increase the tax support for public libraries (Nitecki & Abels, 2010). Proponents of this view tend to argue that public libraries should continue to rely on tax funds at levels that are sufficient to cover their operating expenses (Nitecki & Abels, 2010). They believed that diversification would affect the public good provided by these institutions (Nitecki & Abels, 2010). However, Griffis and Johnson (2014) disagreed with this viewpoint because they observed that funding equity issues make it difficult for such libraries to provide the so-called public good to their customers as they are meant to. In this regard, the authors did not believe in using the tax base as the main criterion for sourcing money for public libraries. Here, they argued that public libraries that operate in states, counties, or municipalities with a low tax base are likely to suffer from poor financial inflow, compared to libraries that depend on county or state governments that have a high tax base (Griffis & Johnson, 2014). In this regard, Albertini (2013) acknowledged the need of public libraries to find alternative financial sources, and not depend on public funding if they want to provide effective services. Some common alternative sources of funding that emerged here include fundraising, corporate partnerships, entrepreneurial projects outside the library field, expanding user charges, education funding, and merging and privatization.

Fundraising

As mentioned earlier, public libraries receive money from individuals, and well-wishers as alternative sources of funding. Individuals account for the highest number of non-state sources of finance to supplement library financing (De Witte & Geys, 2011). Similarly, fundraising is a common source of funding for public libraries. However, Bailey (2011) believed that library administrators have not effectively exploited this strategy. Therefore, he encouraged public libraries in the United States, to seek alternative sources of funding through fundraising (Bailey, 2011). He did so by giving examples and case studies of some nonprofit institutions that have improved their financial positions through this strategy. He stated that many public libraries in the United States have improved their financial positions through “foundations, trusts, property development, and private sector grants” (Bailey, 2011, p. 119). With these funding models, he described possible fundraising strategies for public libraries.

Corporate Partnerships

Corporate partnerships can manifest in different ways. The easiest way for libraries to benefit from this strategy is to seek corporate sponsorships. Nitecki and Abels (2010) encouraged administrators of public libraries to consider corporate sponsorships as an alternative source of funding for their libraries. They reminded these institutions that they no longer enjoyed the benefits of an information monopoly since the Internet has made information more accessible to people all over the world (Nitecki & Abels, 2010). According to Koulouris and Kapidakis (2012), corporate sponsorship would help public libraries to solve several financial challenges, including changing customer needs

and changing policy requirements. Alternatively, public libraries could seek different kinds of partnerships with corporate bodies, including training, and funding partnerships, and similar arrangements aimed at improving information dissemination (Jaeger, Greene, Bertot, Perkins, & Wahl, 2012). Other partnerships pursued by some public libraries include “program development partnerships, partnerships to build, and share audiences, research, and product development partnerships, and political alliances” (American Library Association, 2014, p. 2). This type of alternative funding is prevalent in Singapore. Incidentally, some American public libraries have pursued this strategy successfully. For example, West Chester Public Library in Pennsylvania was able to improve its financial position by seeking lucrative partnerships with private firms (Nitecki & Abels, 2010). Abubakar (2013) declared that big libraries are in a better position to exploit this alternative source of funding than small libraries—mostly those that serve a population of less than 25,000 people—because such libraries are heavily dependent on gifts, and donations, as opposed to state or public financing. Furthermore, big public libraries enjoy a higher credibility in society, compared to small libraries (Abubakar, 2013). Referring to the possibility of public libraries collaborating with corporations to improve their financial positions, Nitecki and Abels (2010) added that “corporations can be important public library allies, and collaborators, important both for their economic power, and for the increased library visibility that their marketing skills, and public relations expertise can engender” (p. 137).

Entrepreneurial Projects Outside the Library Field

Legally, public libraries in America are required to offer free services to their users (Kwak & Yoo, 2012). However, some diversification strategies demand that public libraries engage in profit-making ventures to support their activities. For example, Nitecki and Abels (2010) suggested that an alternative form of diversification may be to allow libraries to engage in profit-making activities such as operating coffee shops, or lending books for a fee. Alternatively, some institutions have started new businesses such as cafeterias, and gift shops on the library premises, and used the revenue generated by these businesses to support library operations (Berry, 2010). However, Kwak and Yoo (2012), informed that some public libraries might not be legally equipped to accommodate such activities because that would be beyond the scope of activities that such institutions are supposed to perform. Therefore, the authors believed, there needs to be a change of legislation to allow library administrators to undertake such activities if public libraries need to participate in such profit-making ventures. Even when the law allows such ventures, introducing entrepreneurial projects outside the library field to generate income for public libraries depends on the will of public library managers to do so (Berry, 2010).

Expanding User Charges

Although, public libraries did well on a free-for-all financial model in the past, there has been an increase in the suggestions that they should think of adopting an alternative financial structure that accommodates the collection of small fees for providing library services (Berry, 2010; Kwak & Yoo, 2012). Indeed, since the 1980s,

public libraries have charged patrons for losing, or damaging library materials (Williamson, Bannister, & Sullivan, 2010). Fines are part of a wider group of alternative funding sources that generate revenue for replacing lost items, as is the selling of old library materials. Blume-Kohout, Kumar, and Sood (2014) mentioned that only 5% of public libraries in America use this financial model. Most of them will charge users for photocopy services, while others also charge for microform prints (Berry, 2010). Figure 4 shows the revenue sources for Licking County Library (2014), where user charges account for the smallest source of revenue for this particular library.

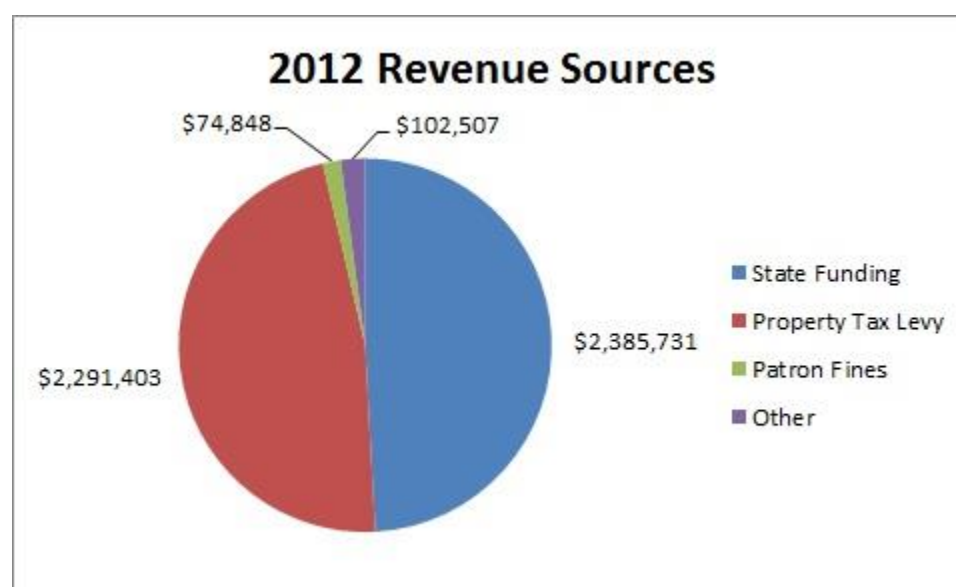


Figure 4. Revenue sources for public libraries. Adapted with permission from “Library Funding,” by Licking County Library, Ohio, 2014, p. 1.

As shown in Figure 4, state funding accounts for the highest percentage of public library financing. Property tax levy, which accounts for \$2,291,403 of revenue, follows closely behind. Other sources (e.g., grants and donations) account for the third largest

source of public library financing in America. Fines are the least lucrative of revenue sources for public libraries (Licking County Library, 2014). These findings seem to leave much room for libraries to charge higher user fines. Licking County Library (2014) admitted that this strategy might not necessarily imply that the institutions expand their bases for penalizing users because more potential for increasing revenue exists in increasing the fine amounts charged to patrons. This way they would collect more revenue and improve their financial stability.

Education Funding

Given that public libraries play a critical role in improving the educational standards of various jurisdictions, statewide Boards of Education in America have proposed that these boards should supplement library finances to maintain, or improve the role of public libraries in the community (Elbert, Fuegi, & Lipeikaite, 2012). A 2013 Supreme Court case where the Kanawha Board of Education in West Virginia filed a Supreme Court case to compel the County Board of Education to finance a public library highlights this fact (League of Women Voters of West Virginia, 2014). The Court dismissed the case, and said that such an appeal was unconstitutional. Instead, the court challenged the state government to introduce a comprehensive system of education that caters to the educational needs of children up to the age of three years (League of Women Voters of West Virginia, 2014, p. 3). The result of this decision was the dismissal of any sort of obligation on the part of boards of education to fund public libraries. The decision has, however, made funding sources of public library more unpredictable, and their financial circumstances more precarious, even though it did not affect all counties in

West Virginia to the same degree. The court allowed other boards of education either to continue funding public libraries, or to stop such activities. Nonetheless, a board's willingness to supplement library finances depends on the wishes of the board managers (League of Women Voters of West Virginia, 2014). Overall, this could be an alternative funding source for public libraries.

Mergers and Privatization

Even though an uncommon strategy, some observers suggested the need for public libraries to merge or privatize as strategies for improving their financial performance (Ganegoda & Evans, 2014). Some public libraries have adopted this strategy successfully. For example, as the American Library Association (2014) stated, Illinois public libraries have often merged through a common platform by the name of Reaching Across the Illinois Library System. This system linked five public library systems in response to managing the financial problems that were facing them. Referring to this strategy, the American Library Association (2014) stated, "The decision to combine the Metropolitan, Alliance, DuPage, North Suburban, and Prairie Area library systems was made to answer ongoing financial woes faced by the state-funded operations" (p. 10). Some public libraries that have shied away from adopting this strategy have chosen instead to adopt privatization as an alternative strategy. For example, Elliot (2013) confirmed that a public library in Osceola County, Florida, has adopted this strategy successfully. The library did so by subcontracting with a private firm to manage the institution's finances. The private company signed a 5-year lease with the library, and received compensation worth \$4.71 million annually for their services (American Library

Association, 2014b). Library administrators pursued this strategy because it would save the institution the trouble of having to reduce their working hours and inconvenience their patrons (Ganegoda & Evans, 2014). The American Library Association (2014a) added that another public library in Santa Clara, California, also adopted this strategy because the administrators believed that it would save the institution the alternative of firing some of its employees. Some jurisdictions, however, made it difficult for public libraries to privatize because they require the institutions to back their plans with “hard numbers” (Ganegoda & Evans, 2014). The American Library Association (2014a) has taken a stricter stance on privatization, and most of their publications adopt a cautionary tone regarding this process. For example, a 2013 task force report published on the association’s website argued that the privatization of public libraries did not necessarily lead to cost savings (American Library Association, 2014b). This is why the association cautioned library administrators about the perils of privatization; it believed that besides producing minimum cost savings, library administrators should understand that a privatization strategy would affect the scope of their services because public libraries should provide public, not private services (American Library Association, 2014). Based on these concerns, some states have introduced new legislation to prevent public libraries from privatizing.

Issues to Consider When Adopting a Diversification Strategy

in America’s Public Libraries

The legal, and administrative effects of diversification have captured the attention of researchers such as Ganegoda and Evans (2014), Ndeshi and Niskala (2013), and

Kwak and Yoo (2012). In fact, Kwak and Yoo (2012) stated that this focus has preoccupied the attention of researchers more than any other field of empirical investigation. Their investigations have revealed that public library managers need to consider different issues before diversifying. These issues include legal considerations, and lack of structural uniformity.

Legal Considerations

Many American states have allowed public libraries to levy some type of charges for using library services (Wight, 1953). However, as Ganegoda and Evans (2014) underscored, it is important to have a legislative framework that supports this activity. The importance of a legislative framework to support the levying of public funds has emerged in the past (Wight, 1953). For example, in 1848, the Massachusetts General Court allowed the state of Boston to impose taxes on library users as an alternative source of funding to support the library's activities (Wight, 1953). As many states in America have adopted this strategy without any legal framework—because they are lacking the power to diversify—a definite need exists to outline a legislative framework to support financial diversification (Ganegoda & Evans, 2014). The federal government wields the greatest power in the country; however, state authorities wield powers that the country does not delegate to the federal government. Conversely, state authorities delegate their powers to municipalities, local governments, and townships, thereby allowing them to undertake different activities, including managing the finances of public libraries (Ganegoda & Evans, 2014).

Based on the factors described, Smet and Dhamdhere (2013) noted that, when it comes to library funding in America, state governments have a great deal of discretion in making funding decisions through their delegated authority regarding public libraries. This control stems from their grip on welfare services, health care services, and environmental protection services in their jurisdictions (Ganegoda & Evans, 2014). The legal framework for diversification reinforces the assertions of Wight (1953), who said that all alternatives for the diversification strategy needed to conform to federal, state, and other legal guidelines. Besides these factors, Smet and Dhamdhere (2013) found that diversification needs to protect the financial investments of the libraries, and maintain sufficient liquidity for libraries to operate as they should. The Coal City Public Library District (2014) joined this debate, and professed that public libraries should make sure that their strategies provide a good return on investment when they seek alternative financial sources. Put differently, the investment portfolio, introduced by the organizations, should show a positive rate of return throughout the economic, or budget, cycle (Coal City Public Library District, 2014). Here, the investment decisions made by the library administrators should consider the risks, and constraints associated with the investment decisions (Coal City Public Library District, 2014). Furthermore, they should consider the cash flow characteristics associated with every investment portfolio. In line with this reasoning, Smet and Dhamdhere (2013) agreed that, whichever diversification strategy a library chooses, it should include simplicity of management. Last, directors of public libraries should make sure to conduct periodic reviews of library performance to ensure that their institutions serve the intended purposes (Smet & Dhamdhere, 2013). The

Coal City Public Library District (2014) insisted on this task because it firmly believed that it belongs to a library director's most fundamental duties to do so. However, Smet and Dhamdhere (2013) revealed that most public libraries tend to overlook the possible ethical dilemmas, and conflicts of interest that tend to arise when libraries choose to diversify their financial options. On the other hand, Sung, Hepworth, and Ragsdell (2013) took issues with this argument when they stated that public libraries are *public* institutions, which allows them to enjoy partial insulation from the corrupt, or unethical business practices that are so common in the private sector. Even so, Düren (2013) agreed with Sung et al. (2013), by suggesting that, when public libraries choose to engage in lucrative, or profit-making business ventures, they need to make sure there are no conflicts of interest between the need for managers to do their jobs, and the need for public libraries to improve the welfare of the community. Such conflicts of interest could easily impair the decision of library managers during the decision-making process.

When public libraries engage in profit-making ventures to improve their financial positions, Düren (2013) emphasized the need to collaborate with authorized financial dealers, and institutions. Therefore, they do not have the same liberty that private firms enjoy when trading with other business partners. Most of these authorized investment firms should serve the purpose of deposit, and investment advisors (Sung et al., 2013). The choice to outsource services to third-party agents depends on the decisions made by boards of trustees (Coal City Public Library District, 2014). In lieu of the need for public libraries to seek the services of authorized investment agencies, Düren (2013) pointed out the need for these institutions to make authorized and suitable investments.

Notwithstanding, with differences between the states, financial investments made by public libraries also need to have collateral (Coal City Public Library District, 2014). In other words, most investments made by public institutions are subject to a Federal Deposit Insurance Corporation (FDIC) limit, which, if passed, subjects these institutions to the need of providing a collateral (Coal City Public Library District, 2014). This requirement protects the institutions from losing their money. It should also be set down in a written contract, held by an independent third party. Similarly, public libraries are required to maintain a paper trail of all their investment decisions for purposes of accountability (Newberry, 2014). Despite the factors outlined in this section regarding the most important conditions guiding financial diversification of American public libraries, the Coal City Public Library District (2014) maintained that ideal diversification alternatives are those that meet the financial requirements of the library, that is, its cash flow.

Lack of Structural Uniformity

Besides the legal limitations on allowing public libraries to levy fees on their users, the League of Women Voters of West Virginia (2014) averred that lack of structural uniformity among public libraries often impedes the process of adopting an acceptable strategy for diversification. For example, West Virginia has more than 97 public library systems, exposing a lack of uniformity in financial management (League of Women Voters of West Virginia, 2014). West Virginia strove to manage this lack of uniformity among its public libraries by introducing a service center that links the small libraries with big libraries (League of Women Voters of West Virginia, 2014). Within

this system, the service center receives additional funding from the state to support its delegated activities. To demonstrate how this system works, the League of Women Voters of West Virginia (2014) wrote that Cabell County Public Library served as a service center for eight smaller public libraries in the state. The range of services offered by the main library includes payroll processing and book deliveries, among other services. West Virginia has 133 service centers that cater to the needs of approximately 13-14 affiliate libraries each (League of Women Voters of West Virginia, 2014). Observers believe that these service centers play an important role in reducing the financial burden of their affiliate libraries. In fact, they encourage such libraries to associate themselves with a service center as a cost-saving measure.

Summary and Conclusion

As revealed by existing literature, public libraries are instrumental to the social, economic, and political development of American society. They are more than a source of books or reference materials for academic pursuits. Public libraries provide jobs, and information, and act as reference points for social services, and other welfare activities. The literature revealed that, because these organizations are instrumental to people's life-long growth, local tax-based funding mechanisms would still play a vital role in promoting financial stability to these public institutions. The literature also showed, however, that more emphasis needs to be placed on finding alternative sources of funding to keep these institutions functioning as intended. Many researchers believed that this is the only way that public libraries will be able to continue improving the quality of their patrons' lives in an economically and educationally sustainable way (Ganegoda & Evans,

2014; Smet & Dhamdhere, 2013). This chapter also documented some of the criticisms leveled at diversification strategies, and provided explanations why some scholars believed that a tax-based approach to public funding is still the ideal financial structure for public libraries. Their studies have highlighted the legal challenges, and conflicts of interest that could arise when public libraries pursue a financial diversification strategy. Furthermore, these public institutions have a high return on investment (ROI). Some of these returns are nonmonetary. For example, the revenues generated from their activities have a huge positive impact on local economies. In addition, this chapter showed that financial diversification is a concept pursued by many profit-making businesses to meet their corporate goals. However, it has not taken root in the nonfinancial sector. Moreover, there is insufficient literature extant for explaining how this strategy would work in organizations that do not have the same organizational foundations as for-profit organizations to buttress such a strategy. Although, many of the studies reviewed in this chapter supported a financial diversification strategy, it is still unclear how these strategies would affect the direction of these institutions. In fact, as Nitecki and Abels (2010) observed, people have varied opinions about the need for public libraries to diversify their finances, and move away from public funding. This study aimed to address some of these questions as it sought to answer whether a financial diversification strategy would work for one nonprofit organization, the case examined in this research, CCLS.

This chapter provided a review of pertinent literature. A description of the literature search strategy, and key terms used in the search were discussed, followed by establishing a theoretical foundation for the study. An overview of what a public library

is was provided, as well as how these institutions were traditionally funded. I also discussed the financial challenges these institutions are currently facing. Alternative funding strategies were examined and discussed, including the need for legal considerations, and dealing with the lack of structural uniformity among public libraries when considering alternative strategies. The next chapter of this dissertation is the methodology section. It documents the nature of the study, and the data analysis processes.

Chapter 3: Research Method

Introduction

The purpose of this study was to provide a thorough understanding of the unique structural, legal, and operational dynamics associated with adopting a financial diversification strategy in the CCLS and to explore what would support or, conversely, hinder the implementation of such a strategy. An extensive review of the literature revealed that few researchers have conducted research studies to investigate how a financial diversification strategy would work in public libraries (League of Women Voters of West Virginia, 2014; Newberry, 2014; Sung et al., 2013). To narrow this gap in the research literature, it was important to interview professionals who were knowledgeable about this topic, and to review existing documents related to financial diversification in the CCLS.

I incorporated in this study a controlled review of the financial practices of the CCLS, and their effect on the success of potential financial diversification strategies in this organization. To gain a practical understanding of the research focus, current, and former library directors, including assistant directors, and branch managers of the CCLS, were interviewed. This study benefited from two sources of data: interviews with different kinds of respondents to obtain a multifaceted understanding of the research topic (Stanford Center, 2014; Yin, 2015), and documents related to the topic under study. In this chapter, I present the research methods used in the study, and provide the rationale for choosing a case study design. I also explain my role as the researcher. Additionally, population, sample, and sample selection are described, as well as data collection, and

data analysis procedures. I also discuss the importance of the trustworthiness of a research study and measures taken to protect the rights and privacy of the participants.

Research Design and Rationale

Research Approach: A Qualitative Study

This research was a qualitative single-case study for the purpose of providing a thorough understanding of the unique structural, legal, and operational dynamics associated with adopting a financial diversification strategy in a public library such as the CCLS, and exploring what would support or, conversely, hinder the implementation of such a strategy.

Four fundamental research questions guided the study:

RQ1: What financial challenges does the Clayton County Library System experience?

RQ2: How are these challenges affecting the library?

RQ3: In what ways can the leadership of Clayton County Library System diversify its funding?

RQ4: What legal considerations does Clayton County Library System face when considering the adoption of a financial diversification strategy?

The central goal of the study was to explore the feasibility of developing a financial diversification strategy for CCLS. Financial diversification is more common in the profit-making sector than in the nonprofit sector (Carroll, Booth, & Lloyd-Jones, 2012). Different structural, and operational implications may present themselves in the nonprofit sector when the adoption of a financial diversification plan is being considered.

For example, for-profit organizations have some specific structural, administrative, and financial frameworks that simplify the adoption of a financial diversification strategy. Nonprofit organizations such as CCLS, however, tend to lack such dynamics, which may complicate the processes of diversifying funding sources. In this study, I explored themes, and patterns related to understanding the prospects of adopting a financial diversification strategy in CCLS, a nonprofit organization. This exploration, and analysis of the topic was guided by the research questions, which aided in explaining the legal ramifications of diversification, and understanding the ways open to the leadership of the CCLS to achieve financial sustainability for the organization.

Qualitative Methods Considered

I opted for a qualitative research approach because the research focused on a phenomenon that required an understanding of the financial practices of the CCLS, and the potential for applying a financial diversification strategy. The quantitative research approach was not applicable to this study because it tends to look at broader trends, and focus on the general nature of a phenomenon in its designs (Yin, 2015). Comparatively speaking, qualitative work often aspires to uncover themes, and patterns, and delve deeper into the context than does quantitative work (Stanford Center, 2014; Thatchenkery, 2005; Yin, 2015). Stated differently, in quantitative research studies, researchers observe phenomena as they occur but sometimes fail to explain why these phenomena occur as they do. The qualitative case study design allowed me to overcome this limitation pertaining to many quantitative approaches, and permitted the collection of new information that could shed light on the underlying reasons for the conditions as they

are, thus adding to the body of knowledge regarding financial diversification in public libraries (Stanford Center, 2014; Thatchenkery, 2005; Yin, 2015). The specific issue was how the CCLS could diversify its funding sources to become financially sustainable. Additionally, through the qualitative approach, this case study was designed to demonstrate to financial decision makers the dynamics of a very complex issue: financial diversification in the nonprofit sector (Stanford Center, 2014; Thatchenkery, 2005; Yin, 2015). To find the most suitable research method for this study, I considered various qualitative methods for use in the collection of data from knowledgeable informants. These methods are discussed in the following sections.

Ethnography. Ethnography is a credible method for obtaining qualitative research data. It requires the researcher to become an active participant in the study through observation (Stanford Center, 2014). The researcher may have to observe the research phenomenon from the inside, as it were, for a long time. The present study did not require such a thorough research design because the topic did not require intense observation, or living within the setting studied. Interviewing, and document analysis were not only sufficient, but also better ways of collecting the requisite data (Stanford Center, 2014; Thatchenkery, 2005; Yin, 2015).

Direct observation. The direct observation method usually entails watching a group of people without interfering in their activities (Hoon, 2013). Although, a direct observer may not plan to be a participant in the activities of the subject, this research method also was judged undesirable because it would have failed to inform me about the scope of financial challenges, and potential solutions. It would have been impossible for

me, as the researcher, to be everywhere, see everything, and make the correct deductions about the phenomenon under study from passive observation (Thatchenkery, 2005).

Grounded theory methodology. Albeit a useful research method, grounded theory methodology was not chosen for this study because it would have required a lengthy analysis of data to arrive at credible findings (Yin, 2015) that could lead to the formulation of a new theory. The main reason for rejecting the grounded theory methodology, however, was its tendency to contradict traditional research models that would otherwise allow researchers to use their theoretical frameworks to investigate phenomena, and evaluate them in light of their premises (Stanford Center, 2014; Thatchenkery, 2005; Yin, 2015). In this study, the intent was to rely on modern portfolio theory as the main theoretical framework. Thus, it would have been difficult to use grounded theory methodology, as it might have run counter to the goals set forth by the theoretical framework for investigating the research phenomenon. Furthermore, its use would have failed to reveal thought processes leading to the practical application of strategies in public libraries, which was the goal of this study, rather than theory formation about the problem.

Phenomenology. The phenomenological approach is a useful qualitative research method for explaining people's subjective experiences regarding a research issue (Hoon, 2013). However, this method would not have been appropriate for this study because phenomenology is mostly applicable to exploring deep phenomena among individuals with a shared experience, such as soldiers who have suffered war trauma, cancer survivors, and similar cases. Moreover, in the case of the CCLS, this characteristic does

not align with the research questions (Stanford Center, 2014; Thatchenkery, 2005). I did consider a wider examination into the phenomenon, but the varying demographics persuaded me that it was more useful to apply the insights of a variety of professionals to a specific case than to study the same problem in a variety of settings. This consideration led me to consider the case study approach.

Research Design of Choice: Case Study

The research design of choice for this study was the case study approach. Harvard University was among the first institutions to use the case study method in the mid-20th century (University of Portsmouth, 2010). Its application in public administration started during the 1940s, when scholars used it to investigate how they could improve governance structures (Stich, Cipollone, Nikischer, & Weis, 2012). The motivation for doing so was to provide a real-life framework wherein administrators could apply policies in easy-to-understand contexts (Siebart, 2005; Stanford Center, 2014; Yin, 2015). Yin (2015) defined case studies as “experiential explorations that examine an existing occurrence thoroughly within their real life milieu” (p. 27). Case studies are often subjective because they define experiential explorations of a study topic, using ordinary language. The first role of the case study researcher is observation (Yin, 2015). Later, investigation, or further probing, should occur to explain why an observation is as it is (Siebart, 2005; Stanford Center, 2014; Yin, 2015).

Data collection in this case study involved the use of two sources of data. I conducted face-to-face interviews, and I undertook document analysis to obtain confirmatory information, but from independent data sources. This approach established

double data points on the same phenomenon. This method also helped to create a coherent, holistic analysis of the research phenomenon because it involved the collection of primary, and secondary research information. Interviews provided the primary research materials, while the document review provided secondary research information. These data sources complemented one another. The dual data-collection method allowed for a profitable closeness to the research phenomenon. This advantage allowed for greater sensitivity to the different data sources, and for the effective use of data triangulation. Triangulation is a powerful technique that facilitates validation of data through cross-verification from two, or more sources. In particular, it refers to the application, and combination of several research methods in the study of the same phenomenon. This role of the process was enhanced when the interview responses had reached saturation, meaning that further interviews would not yield any new information. At this point, the review of interview responses in light of the data extracted from documents triangulated in such a way that recurrent themes could be identified, and objectively compared because neither the data, nor the responses were influenced by one another at the time of data collection, or data analysis.

The dual data-collection method served as a systematic form for interpreting the different types of information obtained from the two sources of data. In answering the research questions, this study could offer more detailed information to the leadership of CCLS about the feasibility, and the hurdles pertaining to financial diversification for the sake of sustainability of this public library. The technique was particularly useful for revealing the structural, legal, and operational considerations that must be addressed

when one strives to adopt a financial diversification strategy in a public library such as the CCLS. Furthermore, using the document review technique was very helpful in answering the research questions because it provided the needed background of the legal considerations pertaining to financial diversification in the public library sector. The document review also tapped the institutional memory regarding past instances, or near-instances of financial diversification in a nonprofit organization. Comparatively speaking, through the dual data-collection method of interviews, and document review, I was able to obtain better answers to the research questions, and to provide more comprehensive knowledge to the leadership of CCLS regarding the ramifications that are likely to ensue from adoption of a financial diversification strategy.

Researchers have used the case method in many studies, and across different disciplines, including the social sciences, psychology, and ecology (Yin, 2015). This approach was useful in the present study because, as Boblin, Ireland, Kirkpatrick, and Robertson (2013) explained, different institutions have different operational frameworks, which could affect the application of a financial diversification strategy. The main motivation for adopting this strategy was its capability to narrow the focus of a broad research area upon a specific point of interest, and make it manageable, and easy to understand (Stanford Center, 2014; Yin, 2015). This process was similar to how the case study design helped researchers in the past to test the application of scientific theories (Stanford Center, 2014; Yin, 2015). This method was suitable for finding answers to the research questions regarding considerations one should be aware of when planning the adoption of a financial diversification strategy in the nonprofit sector. It is for these

reasons that psychologists, and social science researchers have regarded the case method as a valid analytical research method for many years (Stanford Center, 2014; Thatchenkery, 2005). It is also for this reason that the case study design provides realistic responses, in which respect it is dissimilar to many other research designs (Siebart, 2005; Stanford Center, 2014; Yin, 2015). This approach is unlike the approach adopted by pure scientists who are more focused on proving, or disproving some hypothesis than on understanding why the outcomes are as observed (Stanford Center, 2014; Thatchenkery, 2005; Yin, 2015). Some researchers avoid using the case study approach because they believe that its narrow focus cannot be trusted to produce useful findings across a large sample (Siebart, 2005; Stanford Center, 2014; Yin, 2015); this was, however, not an issue in the present study with its one-case design.

The present study was conceived as an instrumental case study, a type of study that examines a particular phenomenon with the aim of providing insight into a specific issue (Grandy, 2013; Stake, 1995). In extrapolating this definition to the case of the CCLS, where I strove to explore the possibility of adopting a financial diversification strategy to improve the financial position of the library's operations, the case method was instrumental in providing such insights (Grandy, 2013). The insights thus gained may also be useful beyond the scope outlined in the design section—that is, beyond the case of the CCLS. This case study could also be considered a collective enterprise because I solicited the views not only of one library administrator, but also of several administrators, as well as other experts in financial matters of the library. The case study was thus, instrumental in expanding the understanding of the general financial operations

at the CCLS and the implications of adopting a financial diversification strategy in this and similar organizations.

Role of the Researcher

In most quantitative studies, the researcher does not have a practical role to play in the research process itself. The researcher's functions are usually virtually nonexistent (Cook-Sather, 2013; Kriz, Gummesson, & Quazi, 2014). However, in qualitative studies, the researcher frequently becomes an instrument in the data collection process (Cook-Sather, 2013; Kriz et al., 2014). In qualitative research, the researcher's main role is to ask why an issue manifests as it does. In this regard, Kim (2011), Cook-Sather (2013), and Kriz, Gummesson, and Quazi (2014) pointed out the importance of researchers isolating, and defining phenomena in ways that make sense to the research audience. These authors argued that this process is critical in qualitative studies. For the present study, this meant that I would not only investigate the financial operations of public libraries, but also strive for an enhanced understanding of the details surrounding such operations and why operations were as they were.

For researchers to take up their roles or duties in the research process effectively, it is important that they thoroughly understand the role of the human instrument in qualitative research (Stich et al., 2012). They need to understand personal biases, assumptions, and expectations. In the context of this study, my role as the researcher could be considered a passive one because the main technique I used was interviewing a group of respondents and, complementarily, reviewing research documents related to the research phenomenon. Because I am an employee of CCLS, however, my insider position

differed somewhat from that of an outsider to the system under study, who might have been a truly objective observer (Staller, 2013). By virtue of being an insider in the public library system, I was liable to introduce some researcher bias into the process. To mitigate this bias, I strove to eradicate all biases, assumptions, and predetermined ideas about the phenomenon by disengaging myself from the research study, and concentrating on the data collection procedures. More so, I refrained from interviewing my subordinates. I interviewed only the director of my library, former library directors, and assistant directors, who were my superiors, and some senior colleagues. In essence, I was not in a coercive position, or a position of authority, over the participants. Furthermore, I made a conscious, and consistent effort to keep researcher bias at bay, and avoid any conflict of interest in the study by maintaining objectivity throughout the data collection process.

The dual data-collection method was used to deal with potential weaknesses of the oral interviews due to bias (Maxwell, 2013). Utilizing documentary information was geared toward cross-validating data obtained in the face-to-face interviews (Noor, 2008). Information gleaned from existing documents (i.e., the library's financial statements and minutes of the meetings of the Friends of the Library) was verified independently. This strategy was complementary, and helped in gaining a better perspective on the scope of the research topic. The dual data-collection method also minimized the potential for overlooking various aspects of financial diversification such as pertinent legal considerations, and operational limitations to its implementation. The document review helped in the formulation of the research questions to make the inquiry more

comprehensive. As a control measure in this study, I examined past surveys, and interviews to become familiar with the categories that are most popular with researchers, and their respondents. Collectively, these measures were employed to minimize researcher bias.

The interview structure was intended to highlight various themes to elicit information from the respondents that could answer the research questions posed for the study. To achieve credible findings, I relied on investigation of the participants' views through probing, deep thinking, and further probing as a cyclical method of investigation. The big picture of the research process was developed, and achieved through the inclusion of many ideas, and pieces of information garnered from different sources (Frost et al., 2010).

Methodology

Participant Selection

A purposive sampling technique was used to obtain the views of two library directors, seven assistant library directors, three grant writers, and six branch managers.

The purposive sampling technique was suitable for this study because it fitted the nature of the research study. In other words, the purposive sampling technique is often effective in research studies that have a limited number of people who can participate in the study (Merriam, 2009; Patton, 1990). More important, the purposive sampling technique was beneficial to my understanding of how best to answer some of the RQs, which were relatively interpersonal. For example, RQ3, which explored the best way that the leadership of CCLS could diversify its finding, was relatively subjective to the

organization, based on the type of leadership style in question. Having worked with some of the top-level administrators at CCLS, and having developed a good relationship with them, the purposive sampling technique also helped me in choosing accessible respondents who would be candid enough to give their views on the research topic. Also, since some of the RQs were also contextual, the purposive sampling technique gave the liberty to interview specifically the right type of respondents who understood the contextual nature of the RQs. For example, RQ4 was contextual, and I had the liberty of choosing respondents who understood the topic area (legal considerations for adopting financial diversification strategies). The same was true when seeking information regarding the challenges affecting the library. I explored this issue in RQ2, which addressed the challenges affecting the library. Based on the nature of this RQ, I knew that the library's leadership had the best understanding of such challenges. Therefore, I used my discretion to get the best leaders who could give me information in this regard. The same strategy was true for when I sought to understand the financial challenges affecting CCLS. RQ1 examined this problem. To answer this research question, I understood that the library's leadership was in the best position to answer such a question because they had a holistic understanding of different aspects of the organization's operations. In this regard, I selected respondents who would provide accurate information in this regard. Comprehensively, the purposive sampling technique was beneficial as it excluded the use of probability sampling techniques, and instead gave me the power to choose the participants for the study.

The numbers of respondents were carefully determined because the list of former library directors, their assistants, branch managers, and grant writers who have worked for the CCLS at some point is not a long one. However, according to Yin (2015), the number of participants in a study will really depend upon saturation, whereby themes start to emerge repeatedly. Because the interest is in decision-making processes, which determines how the library would fund itself, the directors, assistant directors, grant writers, and branch managers form an important core of the desired sample.

Although, a small sample size could be seen as a limitation to the research, it is not uncommon for qualitative studies to collect data from small samples, as long as the size is large enough to address the central research questions (Merriam, 2009). Patton (1990) believed that no rule of thumb defines how researchers should conduct their research. Therefore, they should feel free to choose whichever sample size they wish. However, research purpose, resource availability, and time determined the sample selection for this study to a large extent. The sample had to be limited to the top administrative personnel of the CCLS. The nature of the study (i.e., the case study design) also had an influence on sample size. Miles and Huberman (1994) acknowledged this fact by stating that, besides time constraints, and resource availability, the nature of the research plays a crucial role in guiding the researcher's sample selection.

A sample of 20 potential respondents who were directly involved with CCLS was recruited to be interviewed. The purposive sampling method was appropriate in selecting the respondents because it allowed harnessing the views of respondents who were knowledgeable about the financial practices of CCLS. I selected only 20 potential

respondents to participate in the study because CCLS is a small library, and even if not all 20 were to participate in the study, the collected responses would still be adequate for arriving at an understanding of the financial practices of the library. Furthermore, the scope of the study is modest, and the research phenomenon is simple to understand.

Interview

The purpose of interviewing library directors was to tap the deeper institutional understanding of how the CCLS operates. I also gathered the views of branch managers because of their vast knowledge of branch operations of the public library. Last, grant writers provided information regarding the library's funding sources. Furthermore, grant writers were able to portray the perspectives of potential library sponsors, and comment on the investment expectations of the latter when they collaborated with public libraries (Frost et al., 2010). The grant writers' responses provided some answers to the research questions regarding the operational dynamics of the CCLS. For questions posed to this group of respondents in face-to-face interviews see Appendix F.

Other respondents were selected from different departments of the CCLS. Although one might expect a certain bias because these interviewees represented mainly the directorate of the organization, it was important to get their view in face-to-face interviews because they were the most knowledgeable group of CCLS personnel regarding the prevailing financial conditions at the CCLS, and potential diversification strategies to render the organization and its services sustainable. Because of the small sample size, I employed iterative and cyclical probing of the respondents' answers to reach saturation. This strategy aligns with the qualitative research strategy because the

latter supports an in-depth inquiry into the selected research topic (Maxwell, 1996). For questions posed to this group of respondents in face-to-face interviews see Appendix H.

Document Review

Document analysis is an integrated technique, process, and method for finding, detecting, recovering, and examining documents for their applicability, significance, and meaning, noted Altheide (1987). The emphasis was on detection and explanation, including search for contexts, causal meanings, patterns, and processes, rather than sheer quantity or numerical associations between two or more variables (Altheide, 1987). Document analysis will increase as recording technologies develop and become more available, including print and electronic media, audiotapes, visuals (e.g., photos, home videos), Internet materials, information databases bases, field notes, and more. According to Glaser and Strauss (1967), qualitative document analysis encompasses emergent and theoretical sampling of documents from information platforms, including those developed by the researcher, as for example field notes, protocol designs for more methodical analysis, and then continuous comparisons to clarify themes, frames, and discourse. The documents are gleaned for themes or general messages that are reiterated in specific circumstances. The purpose in the present study, thus, was to probe how behaviors, and events were retained in context, and what themes, frames, and discourses were being presented in answer to the interview questions.

An effective use of this technique occurs through tracking discourse, or following certain problems, words, themes, and frames over a length of time, over different issues, and across different information media (Hesse-Biber and Leary, 2013). Initial noticeable

coding combines emergent coding, and theoretical sampling in order to observe changes in coverage, and emphasis over a period, and across topics. Protocols are designed to obtain information about date, location, author, format, topic, sources, theme, emphasis, and grammatical use of words as noun, verb, and adverb (Hesse-Biber and Leary, 2013). The contexts for using specific words are elucidated through theoretical sampling, and frequent comparison to define patterns, and thematic emphases (Altheide, 1987). In the present study, different materials were itemized, charted, and qualitatively analyzed with the use of a word processor and the qualitative data-analysis software NVivo 11.

For purposes of this study, the reviewed documents provided information about CCLS budgets for FY 2014, FY 2015, and FY 2016. I also perused the minutes of the meetings of the Friends of the Library from January 2014 through November 2015. In the budgets, I was looking for evidence, if any, of diversification strategies used during the 3-year period under examination. Such evidence would be disclosed through observable patterns, themes, or overt discourse about the implementation of diversification functions. Likewise, I examined the minutes of meeting of the Friends of the Library to detect the presence, if indeed there was such a presence, of changes in funding sources within the given period.

The document review process aligned with the qualitative research design by providing a framework for developing probing questions for use in open-ended interviews. Indeed, by analyzing past information, it was possible to identify gaps in the existing research concerning the adoption of a financial diversification strategy at CCLS, and in the public library sector in general. These gaps served to inform the development

of a follow-up interview protocol. Besides this contribution, the document review process was also instrumental in comparing the interview findings with information from existing research about financial diversification in public libraries. This step supported the identification of areas in need of further analysis by redirecting my attention to areas of conspicuous divergence between the results of the interviews, and available knowledge about financial diversification in the public sector. In this regard, the document review process provided a framework for the development of this qualitative study.

Participant Characteristics

There was no gender bias in selecting the research participants. However, there were more women in the study than men because most CCLS staff members, including top management staff, are women. All the respondents were expected to hold at least a bachelor's degree in library science. Three of the potential respondents held master's degrees in business administration. Their educational qualifications were expected to contribute practical knowledge of library management, and finance. All the respondents recruited for participation in the study had at least 2 years of experience in library administration. The three grant writers had accumulated more than 70 years of professional experience between them. These cumulative years of experience made them highly knowledgeable participants in this study with respect to the research topic. Furthermore, the public libraries where these administrators worked have been in operation for more than 2 decades. Table 2 shows the codes assigned to the respondents, and their demographic characteristics in order to safeguard their anonymity.

Sampling Technique

I employed a purposive sampling technique to select the respondents for this study because the participants needed to be in possession of relevant knowledge, and understanding of the issues surrounding funding, and funding sources, as well as the diversification of such sources with respect to CCLS. A sample of $N = 20$ participants was considered an adequate base of key informants with the requisite educational background, expertise, and experience in the area of funding of public libraries (see Table 2 for the desired sample size). I also hoped that they would have some knowledge about, or even interest in advocating for, alternative sources of funding. The sample comprised CCLS library directors, assistant directors, CCLS branch managers, and library grant writers who have worked with the CCLS at some time in the past with experience ranging from 5 to 33 years within their respective areas of specialization.

Table 2

Characteristics of the Desired Sample

Code	Gender	Years of experience in the public library sector	Highest educational level achieved	Type of organization
M1	M	5	Master's degree	Public library
M2	M	25	Master's degree	Public library
F1	F	21	Master's degree	Public library
M3	M	6	Master's degree	Public library
F2	F	17	Master's degree	Public library
F3	F	10	Master's degree	Grant writing for public organizations
F4	F	30	Master's degree	Grant writing for public organizations
F5	F	5	Master's degree	Public library
F6	F	22	Master's degree	Public library
F7	F	33	Master's degree	Grant writing for public organizations
M4	M	12	Bachelor's degree	Public library
F8	F	5	Master's degree	Public library
F9	F	4	Master's degree	Public library
F10	F	11	Bachelor's degree	Public library
F11	F	10	Master's degree	Public library
F12	F	9	Master's degree	Public library
F13	F	2	Bachelor's degree	Public library
F14	F	2	Bachelor's degree	Public library
F15	F	7	Master's degree	Public library
F16	F	7	Master's degree	Public library

Sample selection was premised upon tapping into the necessary knowledge regarding diversification of funding sources, and library sustainability. The participants identified alternative financing sources for libraries quite easily as well as rated the sustainability levels of various libraries. Suffice it to say that library directors were in the position to provide information as well as recommend other individuals that were good interview participants, based on their familiarity with the library systems. However, the purposive sampling technique ensured that the discretion of choosing the sample rested with me as the sole researcher in this study (Kriz et al., 2014).

This sole discretion of choosing the purposive sample was a point of importance in this the study because the opinions, and perspectives of library officials who were familiar with the administrative, and financial operations of the CCLS, but who may have held divergent philosophical persuasions, needed to be obtained, and included in the study. All the respondents voiced their views, and opinions during open-ended, face-to-face interviews (see Appendices E and F).

For purposes of improving the reliability, and validity of the responses obtained, I planned follow-up interviews when necessary. This step was important for ensuring that the information obtained from the respondents was correctly reflected in the reported findings through member checking. Furthermore, follow-up questions served to clear up any misunderstanding regarding responses between me and the interviewees. This study also included information obtained from the Friends of the Library via the minutes of their meetings from January 2014 through November 2015. Because all the documents reviewed were policy documents, they were assumed to be reliable sources of

information (Kriz et al., 2014). The information obtained from the minutes also acted as controls to the interview data. According to Siebart (2005), areas of patent divergence of views, should they emerge, would be considered contradicting information from two different, independent data sources, giving rise to the need for further investigation. However, this process mainly applies to case studies that investigate the same research phenomenon, and would usually pertain to divergent views of the researchers conducting case studies on similar cases. In this instance, replication could arise if other researchers performed a case study on libraries akin to CCLS. Similarly, as observed by Thatchenkery (2005), it is beneficial for researchers to experience the advantages of replication logic when they use multiple case studies. For purposes of this study, the experiences, and comments from diverse participants who understood the theoretical framework for adopting a financial diversification strategy, based on the modern portfolio theory, were compared. This step was considered contributory to improving the transferability of theoretical propositions concerning financial diversification at the CCLS. Abrams (2010) supported this view; he also expressed that high transferability of such study results should be a critical characteristic of doctoral dissertations.

Procedures for Contacting the Respondents

In no particular order, the library directors, and the assistant directors of the CCLS received e-mail invitations to take part in the study (see Appendix A). At this point, I wish to declare that I do, in fact, have a professional relationship with the current CCLS director, assistant directors, branch managers, former library director, and four former assistant directors. All the library administrators, and branch managers readily

expressed interest in the study and indicated their willingness to participate in the one-on-one interviews. The grant writers consented to participate in the study after an informal face-to-face meeting at a library conference.

Data Collection

Interviews. The views, and perspectives of library directors, their assistants, and branch managers were obtained through semistructured interviews, and open-ended questions. These were one-time interviews, not exceeding 60 minutes. All the responses were audiorecorded, and follow-up questions posed for further clarifications via telephone calls, which did not exceed 15-20 minutes in length. I personally transcribed these interviews, and reviewed the transcriptions, while giving cognizance to the portions quoted with the respondents to validate that I have correctly captured their intended meanings.

Before proceeding with the interviews, I sought the participants' written consent (see Appendix B). I emphasized that participation was voluntary, and participants had the option to withdraw from the study at any time without negative consequences. During the interviews, the respondents expressed themselves freely, and in their own words, without any inhibitions. The goals of this study required that the questions be open-ended so that the respondents could express themselves freely, and provide as much information as they wished to volunteer. A drawback of this method may be the difficulty to find consistency or themes in the respondents' answers to the questions. However, this interview technique was used successfully, and without asking any leading questions. To avoid deviation from the topic due to the open-endedness of the questions, the

respondents were steered back to the topic under study when necessary. The biggest challenge associated with this technique was its time consumption. Particularly time consuming was transcribing the recorded data.

Interview questions. The interview questions were formulated in such a way to elicit elaborate responses from the participants. The questions were divided into two parts. The first part established the demographic characteristics of the respondent, including what positions they held within the structure of public libraries. Important details about the respondents such as age, gender, educational qualifications, type of position held, and the corresponding title were noted, as were the years of experience in their respective organizations. The second part consisted the main research questions, probes to follow key questions, transitional messages for me, space for recording comments, and a space for recording reflective notes (see Appendices E, and F). The research protocol became instrumental in answering the research questions, particularly with respect to the question regarding ways in which leadership of CCLS might seek to diversify funding. The same interview protocol was used to elicit information about the legal implications of adopting a financial diversification strategy at the CCLS. Table 3 shows how the interview protocol made the appropriate connections.

Table 3

Elements of Design and Appropriate Connections

Protocol	Contribution to research topic
Demographic information	Ascertaining reliability of information contained from respondents (RQ1 and RQ2)
Financial challenges experienced by public libraries	Evaluating whether the research problem exists in the CCLS (RQ1, RQ2, & RQ3)
Financial diversification	Understanding the potential for the adoption of a financial diversification strategy at CCLS (Research aim)
Legal issues	Investigating the legal ramifications of adopting a financial diversification strategy at CCLS (RQ2, RQ4)
Operational practices	Investigating the operational challenges/opportunities of adopting a financial diversification strategy at CCLS (RQ2, RQ3 & RQ4)

Note. CCLS = Clayton County Library System. RQ = Research Question.

As Table 3 indicates, different elements of the interview protocol contributed to a better understanding of the topic under study, which is shown in the column on the right. The research questions (RQs) became endowed with a broader perspective, thanks to this analysis, and simultaneously explored the in-flow of public funds from state authorities, and the wider financial situation characterizing public libraries in this country. Sources of funds for the public libraries administrated by the respondents in this study were thoroughly explored. In the same vein, the interview questions explored how the library administrators were using these funds. The last section of the interview process dealt with the potential adoption of a financial diversification strategy to improve the financial

stability of a public library. The respondents freely expressed their views, and beliefs about what might challenge or impede the adoption of a financial diversification strategy. Equally, they freely expounded on any operational characteristics that could support easy adoption of such a strategy. The last section of the interview protocol elicited the respondents' views regarding alternative sources of funding that could improve the financial position of public libraries like CCLS.

Participant inclusion criteria. Interviews were the main data collection technique used in this study. The inclusion criteria for respondents were determined by the nature of the public institution examined in this case study, the CCLS. The CCLS was considered symbolic for public libraries in the United States. It tended to play a hero role by highlighting the financial operations, and challenges experienced by U.S. public libraries. Although, some researchers take issue with sampled populations associated with case studies, few have bothered to investigate this issue further (Siebart, 2005; Stanford Center, 2014; Yin, 2015). One key assumption in this study concerned the role of CCLS. It was assumed that the findings achieved by studying the case of CCLS with respect to a financial diversification strategy would be transferrable to other such U.S. institutions. The motivation for selecting this sample for the case study was the same as the motivation of other researchers when they apply the random sampling technique. This one-case sample provided a representative view with useful aspects to outline areas of theoretical interest regarding the topic of under study. I used a diversifying strategy that factored in the views of library administrators who headed CCLS. Similarly, the views of grant writers who were able to present alternative views from different points of

understanding (e.g., sponsor-based views) regarding the topic of this study were sought; such views, and expectations were quite at odds with the views, and expectations of library administrators who were the recipients of public funds.

Interview Location

Twenty participants were initially scheduled to be interviewed for this study, but only eighteen eventually participated. All interviews were conducted in a professional environment. That is, at the interviewees' respective places of work, or in another mutually agreeable location. Only one grant writer expressed a preference for being interviewed in a nearby café because repairs were carried out at the interviewee's office. Furthermore, this respondent believed that such an interview should take place in an unrestrained, and relaxed atmosphere, as opposed to the high-pressure environment of the office. Efforts were made to keep the atmosphere of all interviews comfortable for the respondents. Moreover, adequate time, and opportunity for clarifying follow-up questions were factored into the interview process.

Data Analysis Plan

For the data obtained through document review, I applied the content analysis method. This technique was appropriate for this portion of the data because it allowed me to differentiate between verbal, and behavioral data and, then, separate and group similar inputs in the data analysis process (Aharony, 2012). Weick (1982) added that this technique also allowed researchers to categorize, and summarize easily great volumes of information obtained. With its different degrees of formalization, the content analysis technique guaranteed an easy re-elaboration of items that were analyzed in the study

(Creamer & Ghoston, 2013). Researchers have used the content analysis method in several disciplines, including hermeneutics, and mass communication (Finfgeld-Connett, 2014; Kriz et al., 2014). Other researchers have used it to analyze media content, and logic (Rice et al., 2014).

Content Analysis Process

The content analysis process involves the collection of data through interviews, or questionnaires, data analysis, and data interpretation. The theoretical framework of the study was applied to the central phenomenon under study, which was to explore how CCLS could diversify its funding sources to become financially sustainable. For practical purposes, this meant to evaluate the feasibility of implementing a financial diversification strategy. The main purpose of this evaluation was to understand whether a financial diversification strategy would work at CCLS and if not, why not? The objective was to find out whether there were key institutional, or structural differences in place in a public-sector organization such as CCLS, when compared to for-profit organizations, that would impede, or complement the adoption of a financial diversification strategy. The long-range goal of this evaluation was to create a reliable body of knowledge regarding the general understanding of the effects of a financial diversification plan in the public-service sector. Another distant objective of this study was to produce information that would lead to further empirical investigations regarding the adoption of a financial diversification strategy in United States public libraries.

Key issues that were considered in applying the content analysis method were the definitions of who, what, where, and when with relevance to the research questions. The

content analysis method helped in answering key issues about the accumulated data. The first issue was to understand the type of information to be analyzed. The second issue was to define the data obtained in the content analysis process. The third issue was to produce a description of the sample from which the data were gathered. By satisfying these purposes, the content analysis method also satisfied a fourth issue, helping future readers to a clearer understanding of the context in which the data analysis took place. This analysis process left room for satisfying a fifth issue, defining the boundaries of data analysis process. Last, the content analysis process helped in explaining the target of the inferences obtained throughout this research.

I used NVivo 11 software for the analysis. This entailed using words, and phrases of the content analysis to answer the research questions. Based on this understanding, the qualitative content analysis began with finding word frequencies, and keyword frequencies. The content analysis method was primarily useful for analyzing data obtained from the document review. It was applied on two levels. The first level was in describing the information obtained in the data collection; the second level, or the latent level of analysis, was to outline the inferred meanings in the information supplied. To improve the reliability of the content analysis, a statistical measure of reliability was used. This measure was used to ascertain the reliability, and correspondence among the different codes that emerged from the research. The application of the content analysis method was instrumental in sorting out the huge volumes of literature reviewed for purpose of this study. This method was pivotal in filling knowledge gaps that were discovered during the data collection through both processes, document review, and

interviews. It was also instrumental in answering the research questions, which focused on two main issues: the operational dynamics of CCLS, and the legal implications of adopting a financial diversification strategy at CCLS. A thematic analysis was helpful in answering the research questions by sorting the massive literature I had collected into two themes: legal issues and operational issues. Therefore, the findings obtained from the document review process were used to answer the research questions along these two fronts.

Issues of Trustworthiness

In qualitative research, researchers need to take extra care to conduct an ethical study (Tsoka-Gwegweni & Wassenaar, 2014). To fulfill this requirement in the present study, the participants were invited to give their views regarding the findings reported in the study through member-checking. More specifically, they were invited to give their views regarding data interpretation because it was important to ascertain that the findings presented in the study accurately reflected their views (Finfgeld-Connett, 2014; Kriz et al., 2014). Principal issues that can surface during data analysis involve authenticity, coherence, and permeability. Issues of trustworthiness of the respondents were evaluated by coding the research information (Woodby, Williams, Wittich, & Burgio, 2011). I also maintained a journal of reflections regarding the data collection process to help with reviewing the authenticity of the information obtained from the respondents.

While it was important to preserve the trustworthiness of the information obtained, it was equally important to review the trustworthiness of the research participants. As previously noted, library administrators, and grant writers were the chief

respondents in this study. Their trustworthiness was demonstrated through transparency as they provided their financial reports for review, and when they explained the financial challenges affecting their organizations. Their information was also backed up by the operational reports of audited financial reports. Furthermore, they provided all the documents needed to complete the study. The transparency of the administrators was based on the transparency associated with public organizations in the United States. For example, section 501(c) of the Public Disclosure Act requires public service organizations to reveal their financial information to the public (IRS, 2010). Therefore, based on the transparency required of public institutions, most of the financial data, and administrative structures associated with public libraries such as the CCLS were open to scrutiny. Transparency, and openness to scrutiny were also ethical requirements for this study. Transparency is among the qualities required in a case study research, and named first by Tracy (2010) on the list of necessary attributes. To wit, “transparency, sincerity, credibility, respect, and ethics” (p. 839). Because some of the opinions expressed by the library directors surpassed the scope outlined in existing legal statutes, the identities of the library administrators, and grant writers participating in this study, as well as their places of employment, were concealed, except for the library administrator of CCLS. The aim of taking this step was to minimize the risk of identification. This step was important because the nature of this case study required respondents to give their personal views; thus, confidentiality was important to all parties concerned. Issues of confidentiality will be further elaborated in a later section of this dissertation. However, it is important to mention here that confidentiality concerns were discussed with the respondents before

they took part in the study. The respondents were also informed about their right to withdraw from the study, without any restraints, if they felt the need to do so. Ndebele et al. (2014) insisted that this is an important announcement to make at the outset of any research project because it is difficult for researchers to control the direction of the data collection process during interviews.

Ethical Procedures

Procedural ethics are not only a requirement in qualitative research studies, they are also a goal of research authors (Stanford Center, 2014). In the same vein, Czymoniewicz-Klippel, Brijnath, and Crockett (2010) specified that “avoiding fabrication, fraud, omission, and contrivance make up procedural ethics” (p. 332), which also was vital for this research. Research participants are the main focus regarding the ethical obligations required of researchers; therefore, respect for the wishes of the research participants should be a top priority of researchers (Stanford Center, 2014). Houghton, Casey, Shaw, and Murphy (2010) added that compliance with ethical obligations should continue even after the conclusion of a study.

Ethical behaviors in research usually revolve around three key issues: The first issue is the responsibility of the researcher to do no harm (Loue, 2014). The second responsibility requires researchers to do what is right, and the third responsibility requires researchers to make sure that the participants give their informed consent to participate in the study. In this regard, it is important for research studies to produce findings that are beyond reproach (Houghton et al., 2010). Issues of trustworthiness are particularly important in qualitative research studies because they rely on human subjects. The

importance of this issue emerged in 1906 when the Food and Drugs Administration Act outlined a new set of ethical behaviors that should guide the conduct of researchers when interacting with human subjects (Jennings, Baily, Bottrell, & Lynn, 2007). In line with this need, the Stanford Center for the Study of Language and Information (2014) stated that researchers should make every effort that their participants are unharmed by their studies. Similarly, researchers have to ensure that they respect the privacy of the participants, and that their participation is based on informed consent. In doctoral research studies, the researchers often rely on review boards to determine what a researcher may or may not do (Stanford Center, 2014). Before commencing this research project, I obtained the approval of the Institutional Review Board (IRB) of Walden University, under the auspices of which this study was conducted. The approval process with number 12-28-15-0352947 required submission of a detailed research proposal, which also outlined key ethical procedures for the treatment of the research participants. The treatment of human participants in this study was fully compliant with key ethical principles for qualitative research, including the following tenets:

Do no harm. The principle to do no harm is usually the cornerstone of any research study with human participants (Silverman, Edwards, Shamoo, & Matar, 2013). Research participants should have a reasonable expectation that they will experience no harm by participating in the study (Silverman et al., 2013). This also was the guiding principle of the present study. For example, in this study, the participants had to reveal information about financial operations of the library, and air their views about how a financial diversification strategy might work at CCLS, in addition to the challenges they

could foresee if such a step were taken. Every effort was made to report the respondents' views in a manner that did not prove injurious to the participants. They also were assured that the information they provided would not result in reprimands at their places of work. To live up to these promises, I reported the findings in a manner that kept their identities confidential.

Privacy and anonymity. Participants stating their views for the benefit of this research were provided with a reasonable level of privacy before they talked about these issues. First of all, there was no deliberate mention of any participant's name in writing, or in any other form of communication. Their privacy was respected, and protected at all cost by assigning pseudonyms, and encrypted data storage. Participants in this study were assured that their identities would not be revealed either before, during, or after completion of the study. The privacy of individual participants was most important in this research because the case study nature of the research made it difficult to uphold institutional privacy (Guillemin, Gillam, Rosenthal, & Bolitho, 2012). Because different kinds of respondents were consulted for purposes of this study, it was difficult to conceal the identity of some prominent participants such as the library administrator of CCLS. Written consent, and approval to reveal the identity, and position held by this individual were sought prior to commencement of the interview.

Confidentiality. Confidentiality is important in research studies involving human participants because most respondents have reasonable expectations that the researcher will treat the information they provide confidentially (Bowtell, Sawyer, Aroni, Green, & Duncan, 2013). In this regard, they expect that the researcher will not reveal the

information provided to other people who have no need to know such feedback (Bowtell et al., 2013; Stanford Center, 2014). It is important to observe confidentiality, especially when researchers come across information that is potentially dangerous for the researcher, and other affected persons (Bowtell et al., 2013; Stanford Center, 2014). In the course of this study, I learned many personal details about the research participants; maintaining confidentiality was, therefore, particularly important, and conscientiously observed.

Informed consent. Participation in this study was entirely voluntary. For the participants to provide their informed consent was an important ethical requirement, notably in this study, because the research entailed a case study of CCLS; potential respondents who worked in this public library setting implicitly felt the need to participate in the study. Before allowing any respondent to take part in this study, I provided sufficient information about the study, emphasizing the voluntary nature of participation. This information appeared again in the Informed Consent Form (see Appendix B). All respondents were required to provide their information regarding the research topic willingly. Despite my existing relationship with management, and staff of CCLS, I made a concerted effort to keep researcher bias at bay, and avoided any conflict of interest in the study by maintaining objectivity throughout the data collection, and data analysis process.

Ethical concerns related to participants' rights, and data security.

Selecting participants for a research project required some key strategies. As a result, purposive sampling became the method of choice for recruiting participants.

Before soliciting respondents for an interview, IRB approval had to be obtained from Walden University. The most basic ethical principle to be followed in this study was the protection of the participants' rights and anonymity (Czymoniewicz-Klippel et al., 2010).

To safeguard their demographics, and answers during interviews, I encrypted the data, stored them in a locked cabinet, and saved pass-word-protected back-up copies on external hard drives for the duration of the research. All materials will be retained for five years after completion of the study, then paper information will be shredded, and electronically stored data will be deleted from the devices. In the meantime, I as the researcher, am the only person with access to the information.

Summary

This chapter presented the research methods used in this qualitative case study, including the data collection process through face-to-face interviews, and a document review. This dual data-collection technique was not only appropriate for a case study, but also highly productive of information, which had to be grouped into appropriate themes in order to answer the research questions. In this context, I described the content analysis method, which was effectively used to back up the information gained through interviews with data gleaned, independently, during the document review. I also described the population, sample, and sampling strategy to achieve a purposive sample of 18 participants. Finally, issues of ethics and trustworthiness were presented. The results of the study are presented in Chapter 4, with direct quotations of the information supplied by the respondents. Conclusions will be drawn based on the findings in Chapter 5, and

recommendations will be offered for practical application, and further research on the topic.

Chapter 4: Results

Introduction

This chapter presents the findings of research related to the potential adoption of a financial diversification strategy in Clayton County Library System (CCLS) in Georgia, and the influence of legal issues on diversification options. The research also explored, and documented public library leadership practices that could be implemented by the Clayton County Library System to diversify funding.

Four research questions guided the study:

RQ1: What financial challenges does the Clayton County Library System experience?

RQ2: How are these challenges affecting the library?

RQ3: In what ways can the leadership of the Clayton County Library System diversify its funding?

RQ4: What legal considerations does the Clayton County Library System face when considering the adoption of a financial diversification strategy?

The sources of data for this chapter were interviews of 18 respondents: two current, and former library directors of CCLS, three grant writers, six branch managers, and seven current, and former assistant directors. Additionally, I conducted a thorough review of Clayton County Library System budgets for Financial Years 2014, 2015, and 2016, as well as the minutes of the Friends of the Library (FOL) meetings from January 2014 through to November 2015.

Setting

The qualitative case study methodology was well suited to a comprehensive analysis of the research questions. This approach allowed for the inclusion of subjective interpretations of the financial policies of American public libraries, and an understanding of their effects on the potential decision to adopt a financial diversification strategy. The process helped to describe the policy framework of American public libraries, and its effects on the administrative practices of these organizations. I focused my attention on Clayton County Library System's fundraising/revenue sources. When this study was first implemented, the recruited sample consisted of 20 participants. However, two were unable to participate in the study for health and logistical reasons. Those unable to participate were two former assistant library directors of CCLS. Interviews were one important research method of this study; the other method was document review. The interviews occurred from January 2016 to February 2016, and lasted for an average of 1 hour. All of the interviews were scheduled at the convenience of the respondents; they were audiorecorded, and later transcribed. This practice gave the participants the choice of time and location. Collectively, this practice describes the dynamics and the setting of the study.

Demographics of the Sample

Although, there was no gender bias in selecting the respondents, more women than men took part in the study (15 women, 3 men). All of the respondents had attained at least a master's degree, and two held

doctoral degree certification in library management. The 18 participants interviewed held different positions at the library. They were library directors, library grant writers, library branch managers, and assistant library directors. Their aggregated positions are depicted in Table 4. Their characteristics are listed in Table 5. Their age distribution is depicted in Table 6.

Table 4

Research Participants' Aggregate (N = 18)

Position	<i>n</i>
Library directors	2
Library grant writers	3
Assistant library directors	7
Library branch managers	6

Table 5

Characteristics of Interviewees (N = 18)

Designation	Gender	Age	Educational level	Position
M1	M	66	Doctoral degree	Grant writer
M2	M	39	Master's degree	Branch manager
M3	M	49	Master's degree	Assistant director
F1	F	57	Master's degree	Assistant director
F2	F	49	Master's degree	Branch manager
F3	F	67	Master's degree	Assistant director
F4	F	32	Master's degree	Branch manager
F5	F	44	Master's degree	Branch manager
F6	F	57	Master's degree	Grant writer
F7	F	66	Master's degree	Library director
F8	F	45	Master's degree	Branch manager
F9	F	59	Master's degree	Library director
F10	F	56	Master's degree	Assistant director
F11	F	49	Master's degree	Assistant director
F12	F	58	Master's degree	Grant writer
F13	F	45	Master's degree	Branch manager
F14	F	62	Doctoral degree	Assistant director
F15	F	59	Master's degree	Assistant director
F16	F	Unreachable		
F17	F	Indisposed		

Table 6

Age Range of the Interviewees (N = 18)

Age range	<i>n</i>
30-34	1
35-39	1
40-44	1
45-49	5
50-54	0
55-59	6
60-64	1
65-69	3

I conducted most of the interviews during business working hours. The transcribed pages ranged from 16-24 pages per participant. This information was useful during the data analysis process. The table below shows the details of the interview responses for each interviewee.

Table 7

Interview Dynamics (N = 18)

Designation	Interview duration (mins.)	Pages transcribed	Primary topic of interview	Position
M1	65	24	Financial diversification; Legal issues; Operational practices; Transition models.	Grant writer
M2	47	18	Financial challenges experienced by public libraries; Financial diversification; Legal issues; Operational practices.	Branch manager
M3	45	18	Financial challenges experienced by public libraries; Financial diversification; Legal issues; Operational practices.	Assistant director
F1	56	20	Financial challenges experienced by public libraries; Financial diversification; Legal issues; Operational practices.	Assistant director
F2	49	17	Financial challenges experienced by public libraries; Financial diversification; Legal issues; Operational practices.	Branch manager

(table continues)

Designation	Interview duration (mins.)	Pages transcribed	Primary topic of interview	Position
F3	58	21	Financial challenges experienced by public libraries; Financial diversification; Legal issues; Operational practices.	Assistant director
F4	52	18	Financial challenges experienced by public libraries; Financial diversification; Legal issues; Operational practices.	Branch manager
F5	53	19	Financial challenges experienced by public libraries; Financial diversification; Legal issues; Operational practices.	Branch manager
F6	57	22	Financial diversification; Legal issues; Operational practices; Transition models.	Grant writer
F7	70	23	Financial challenges experienced by public libraries; Financial diversification; Legal issues; Operational practices.	Library director

(table continues)

Designation	Interview duration (mins.)	Pages transcribed	Primary topic of interview	Position
F8	46	16	Financial challenges experienced by public libraries; Financial diversification; Legal issues; Operational practices.	Branch manager
F9	53	22	Financial challenges experienced by public libraries; Financial diversification; Legal issues; Operational practices.	Library director
F10	62	18	Financial challenges experienced by public libraries; Financial diversification; Legal issues; Operational practices.	Assistant director
F11	56	19	Financial challenges experienced by public libraries; Financial diversification; Legal issues; Operational practices.	Assistant director
F12	55	21	Financial diversification; Legal issues; Operational practices; Transition models.	Grant writer

Overview of Document Analysis

A document analysis was also part of the data collection strategy. I reviewed different types of documents to-address the research questions. These included 3 years of CCLS budget documents (FY 2014, FY 2015, & FY 2016), and 2 years of minutes of Friends of the Library meetings (January 2014-November 2015). The meeting minutes related to sales, grants, and donations. These documents were the latest reports for the company (published in the 2014/2015 financial year). The table below shows an overview of the document analysis process.

Table 8

Overview of Document Analysis

Type of document reviewed	No. of documents reviewed	Financial year
Budget	3	2014, 2015, and 2016
FOL meeting minutes	2	2014, and 2015

Data Collection

I developed two sets of interview questions: one for library directors, assistant library directors, and branch managers, and a second set for grant writers.

Questions for Library Directors, Assistant Library Directors, and Branch Managers

1. What financial challenges does the CCLS encounter?
2. How have these challenges affected the library?
3. In what ways can the leadership of the CCLS diversify funding?

4. What legal considerations does the CCLS face in adopting a financial diversification strategy?

Questions for Grant Writers

1. What are the structural implications of adopting a financial diversification strategy at the CCLS?
2. How can federal, state, or local legal restrictions influence the option of the CCLS to diversify its funding streams?
3. What are the operational considerations for the adoption of a financial diversification strategy at the CCLS?
4. How do libraries that have successfully adopted a diversification strategy manage the transition from nonprofit to for-profit status and address the change in operational models?

Data Management and Analysis

For purposes of data analysis, I used NVivo 11 data analysis software. This tool helped in coding, and organizing the collected data. Researchers have also used this analysis tool to model research data, and present data in readily understandable ways (Sandelowski & Leeman, 2011). The first step of the data management process was to create a new project in the NVivo tool. This data analysis process involved establishing distinct sources of data for every completed interview, and every document reviewed. For purposes of loading the collected data into the software, each interview, and reviewed document required a Word document, or a PDF attachment. I had earlier transcribed the interviews into Word document files. Thereafter, I began the process of creating nodes

(i.e., storage areas for future referencing or coding) for each item studied. Each node contained information regarding a particular question, or area of focus. However, before undertaking a thorough review of the research data, I developed free nodes through hand-coding that did not have an attachment to any concept studied. Using the inductive coding technique, I found common themes, and patterns that emerged from the research process. Here, it is important to point out that the coding process was an iterative activity that involved identification of the “free” nodes, and, later, the development of new nodes that emerged from the discovery of other constructs. The initial data review process led to the emergence of five free nodes.

From the documents review, and participants interviews, I generated an interim code list built upon interview responses, and literature review. I created 28 codes banded into four groups from the analysis (Appendix J). Later, I reorganized the original coding grid following the interviews, and reviews. The four different categories of interviewees’ responses were coded in a side-by-side matrix for ease of association, the small sample ($N = 18$) made it achievable --- and then allotted codes from the 26 initial codes. The research questions were aligned with the codes. This alignment was subsequently cross-checked with the interview questions.

Throughout the data analysis, and management process, I came across different issues, which I gathered into themes, and, then identified patterns for analysis. For example, using a hierarchical structure, I established “tree nodes,” which helped to create order in the data management process, and in clarifying some ambiguous issues as well. To aid this process, the participants during the interviews highlighted several issues that

were pivotal on how a financial diversification strategy would work in the CCLS. I captured such information in these tree nodes. The nodes were directly related to the research questions, and research issues (i.e., factors to consider before adopting a financial diversification strategy at the CCLS). Table 7 shows the emergent nodes, which were revealed through the inductive coding process.

Table 9

Nodes of Inductive Coding

Node	Node description	Contributes to:	Aligns with:
Operational issues	Factors related to how organizational practices could impede, or support the adoption of financial diversification strategies	RQ 2 (first set of questions), and RQ 1 (second set of questions)	Operational implications of financial diversification
Legal considerations	Factors related to how legal considerations could impede, or support the adoption of financial diversification strategies	RQ 4 (first set of questions), and RQ 2 (second set of questions)	Legal issues of diversification
Leadership issues	Factors related to how management practices could impede, or support the adoption of financial diversification strategies	RQ 3 (first set of questions), and RQ 4 (second set of questions)	Leadership issues
Organizational capacity	Organizational capacity issues that could impede, or support the adoption of financial diversification strategies	RQ 1 (first set of questions), and RQ 4 (second set of questions)	Organizational characteristics
Goal ambiguity	Related to conflicts of interests associated with adopting financial diversification strategies	RQ 4 (first set of questions), and RQ 3 (second set of questions)	Goals of public libraries versus goals of private institutions

Note. RQ = research question.

Process of Generating Themes

According to Sandelowski, and Leeman (2011), the process of discovering themes is at the center of the qualitative case study process. For the preliminary codes, the topics I used to purposefully choose my interviewees were; financial challenges experienced by public libraries, financial diversification, legal matters transition models, and operational practices. Those were the areas of information that I knew in advance that I needed to collect i.e., codes. The Nodes in Table 7 were the preliminary ones I thought I needed which were further refined based on interview data. I used different techniques to identify them. Among them was looking out for word repetitions as well as using NVivo 11 word count frequency (Appendix I) where I simply chose to identify words that were often spoken by the respondents, or that commonly appeared in the documents reviewed. The assumption made when using this technique was that the frequency the respondents used to utter certain words represented what was salient in their minds. The use of word frequency to generate themes is a concept supported by different researchers, including Bernard and Ryan (2010) who say, "indeed, anyone who has listened to long stretches of talk, whether generated by a friend, spouse, workmate, informant, or patient, knows how frequently people circle through the same network of ideas" (p. 318). Also, I explained how different words were used for the same ideas to add nuance (Table 10).

The frequency of words used indicated that the main issues expressed by the respondents (through their words) were important to their understanding of the RQs. To get the themes that were more accurate when analyzing the words used, I used NVivo 11

software. It helped to generate a list of texts of all unique words, and counted their frequency in the transcripts.

I also used a compare-and-contrast technique to generate the themes highlighted in this study. This technique was part of a complementary process for the word-processing method, and involved reading every sentence in the transcripts, and deducing relationships between different concepts, and sentences. The main aim of doing this was to find out areas of similarity, or differences, among the texts, and statements made by the respondents. Some researchers refer to this approach as the constant comparison method (Bernard & Ryan, 2010). Nonetheless, when applying this technique, I asked myself, and reflected on the different questions, and the responses analyzed. For example, whenever there were statements that stood out in the analysis, I asked, “What was this about?” “How does it differ, or align with the statements made by other respondents?” “What was the underlying issue that emerges in both,?” and “How does this view compare to my experience as a library employee?” Such questions helped me to stay grounded to the data, and not get lost in theoretical flights of fancy. The table below highlights the processes used in generating themes.

Table 10

Theme Generation Process

Theme	Frequent words used	Questions asked in the comparison, and contrasting technique
Operational issues	Service	“What was this about?” “How does it differ, or align with the statements made by other respondents?”
	Management	
	Efficiency	What was the underlying issue that emerges in both?” “How does this view compare to my experience as a library worker?”
	Processes	
Legal considerations	Policies	“What was this about?” “How does it differ, or align with the statements made by other respondents?”
	Regulation	
	Reform	What was the underlying issue that emerged in both?” “How does this view compare to my experience as a library worker?”
	Laws	
	Prohibition	
Leadership issues	Servitude	“What was this about?” “How does it differ, or align with the statements made by other respondents?”
	Direction	
	Guidance	What was the underlying issue that emerged in both?” “How does this view compare to my experience as a library worker?”
Organizational capacity	Organizational Resources	“What was this about?” “How does it differ, or align with the statements made by other respondents?”
	Organizational Capabilities	
	Human resources	What was the underlying issue that emerged in both?” “How does this view compare to my experience as a library worker?”
	Knowledge	
	Stakeholder support and capabilities	
	Stakeholder collaboration	
Goal ambiguity	Unclear	“What was this about?” “How does it differ, or align with the statements made by other respondents?”
	Ambiguous	
	Not sure	What was the underlying issue that emerges in both?” “How does this view compare to my experience as a library worker?”
	Contradiction	
	Conflict	

Evidence of Trustworthiness

Positivists often question the trustworthiness of qualitative research studies because it is more difficult to demonstrate validity, and reliability in qualitative research when compared to quantitative research. Nonetheless, some proponents of qualitative research such as Kapoulas and Mitic (2012), maintained that qualitative researchers could incorporate specific aspects of research into their qualitative studies to improve the trustworthiness of their findings. In line with this recommendation, Montague (2012) proposed four issues that qualitative researchers should consider to improve trustworthiness of their findings. These issues are credibility, transferability, dependability, and objectivity (Montague, 2012). Credibility refers to the internal validity of the study, while transferability is related to the external validity of the findings (Polsa, 2013). Dependability refers to the reliability of the study, while conformability refers to the objectivity of the paper's findings (Montague, 2012; Polsa, 2013). As recently as the 1990s, the field of qualitative research was still in the developing stages (Montague, 2012; Polsa, 2013). However, researchers have by, and large accepted these four issues as the main criteria for safeguarding trustworthiness of qualitative research (Robinson, Runcie, Manassi, & Mckoy-Johnson, 2015). To ensure that this study provided trustworthy findings, I abided by the tenets of the four aspects recommended by Kapoulas and Mitic (2012).

Credibility

The purpose of establishing strong research credibility is to ensure that the findings of the study reflect what the researcher intended to measure. This goal is in line

with the findings of Polsa (2013), who wrote that the credibility of a study concerns the congruence of the findings with reality. To make sure that this research produced credible findings, I adopted established research methods that have been used in the past to assure the quality of qualitative studies. Stated differently, I made sure that the operational measures were adapted to the issues being investigated in the study. In terms of investigating the most appropriate information-seeking behavior to apply in the study, I adopted the findings of the qualitative researcher Keith Devin (as cited in Robinson et al., 2015), who proposed the use of open research questions to gather new data. To come up with this proposal, Devin sampled the views of several respondents who addressed questions regarding their reflections on situations, which required external help. They also gave their views, and described their thinking about what they would do when they did not understand something, when they needed to decide what to do, and when they worried about something (Burmeister, 2012). The respondents answered Devin's research questions by describing details regarding one of the aforementioned categories. These answers gave Devin enough impetus to develop a framework for developing information-seeking behaviors. Other researchers such as Sandelowski and Leeman (2011) used the same framework to improve the credibility of their findings.

Besides, to improve the credibility of the findings of this study, I familiarized myself with the culture of the organization before undertaking the research. In doing this, I read the appropriate documents regarding public libraries, and made preliminary visits to all the branches in the CCLS. Furthermore, I established rapport with the research participants before engaging them in interviews. This action was in line with the

recommendations of Schreier (2012), who advocated prolonged engagement with research participants because he considered it important for obtaining relevant research information, and similarly, crucial in familiarizing the researcher with the organizational practices of an institution. Alternatively, to make sure that the views obtained from the participants were genuine, I gave the respondents the option not to participate in the study. In this way, I gave unwilling respondents an opportunity to leave the study. When all potential participants voluntarily agreed to take part in this research, I was satisfied that their views represented the opinions of people who genuinely wanted to participate in the study, and presented their understandings. Furthermore, I requested that the participants answer the research questions frankly. The aim of doing so was to put them at ease. Last, I used an iterative questioning process to make sure that the responses I received were congruent, and truthful. Using this strategy, I deliberately probed the respondents' views by referring to previously mentioned views, and associating them with their current opinions. The aim of doing so was to uncover deliberate falsehoods. However, I believed that the respondents were honest about their opinions on the interview questions.

Dependability

The concept of dependability in research refers to the ability of a researcher to replicate a study by using the same methods in similar conditions, and achieve the same results. However, unlike in quantitative studies, relying on people's views in qualitative research makes this process difficult. Based on this fact, Southgate and Shying (2014) indicated that views obtained in qualitative research would depend on the present

ethnography. In line with this assertion, Christopher (2014) noted that dependability, and credibility share a close relationship because a demonstration of the former somewhat affirms the latter. The use of overlapping methods in research affirms this fact (Southgate & Shying, 2014). Broadly speaking, Sveum and Tveter (2012) argued that, to improve the dependability of research studies, it is important to show all the study's processes to allow another researcher to arrive at the same conclusion, if need be. The provision of intricate details about a research study would also allow a second researcher to evaluate if the first researcher used the research methods correctly. In this case, the research design of the first study would be a prototype model (Sveum & Tveter, 2012). To affirm the dependability of the present study, I outlined in Chapter 3 the planning process, and explained the execution strategy. Similarly, I outlined the operational details of data collection. This process helped in explaining the minutiae of the research processes undertaken in this study. Finally, to ensure that the study was dependable, I conducted a reflective appraisal of the research to enable other researchers to conduct an appraisal of this inquiry.

Objectivity

Alexander (2014) associated objectivity with the use of nonhuman measures to provide objective findings. However, Baker (2014) recognized the difficulty associated with this process because human beings design the data-collection techniques. Therefore, the intrusion of research bias in both qualitative, and quantitative research designs is inevitable. However, with qualitative research findings, it is important to make sure that the works provided by researchers are products of the respondents' experiences, and

ideas, as opposed to the views of the researcher. Some researchers prefer to emphasize the importance of triangulation at this point, to minimize the influence of researcher bias in the study (Alexander, 2014). In this regard, Vassilakaki and Moniarou-Papaconstantinou (2015) noted that the key criterion for maintaining objectivity was for researchers to openly declare biases that may emerge from their investigative practices. In this regard, they should declare any beliefs that may inform the research process. Weller and Monroe-Gulick (2014) emphasized in particular the importance of declaring why the researcher chose one approach instead of another, and any weaknesses associated with the chosen approach. In the context of the present study, most of the comments associated with this suggestions emerged from the reflective commentary -- what the participants understood about the interview questions. The detailed methodological processes explained how the constructs underlying this research affected the study. Critical to this assessment is the so-called audit trail of the study, which allows people to investigate the systematic processes that informed the study. In the same regard, it is easy to understand the concept, and theoretical framework that led to the birth of the study.

Transferability

Transferability refers to the ease, and propriety with which the findings of a study can be applied to other situations than the one in which they were obtained. For many positivists, the concept of transferability refers to how the findings of one study might be applicable to a wider population than the one sampled (Alexander, 2014). Qualitative research studies present a problem in this regard because they usually sample a small

group of respondents, just as I did in this study. Therefore, it is incorrect to assume that the findings would have the same measure of transferability as those of other research approaches. Indeed, it is difficult to achieve perfect transferability, even in naturalistic studies, because researchers sample their respondents in the context of their environments (Creswell, 2013, Lincoln & Guba, 1985). Therefore, it is difficult to assume that contextual influences will disappear while people generalize the findings of a study to a different environment. Notably, I did not disregard the contextual influences, because this is a one-case study of CCLS. I did, however, suggest that other public libraries that share similar characteristics to those of the CCLS be able to use the findings to improve their own financial positions. The findings of this study may, indeed, be applied beyond the context of CCLS. Collectively, this section of the document shows that the findings of this research have a high level of trustworthiness because, as the researcher, I ensured that the metrics for transferability, objectivity, dependability, and credibility were high.

Findings From Interviews

To investigate how a financial diversification strategy might work at CCLS, it was important not only to gain a thorough understanding of the financial practices of nonprofit institutions, but also of the extant financial stability of public institutions (Dietlin, 2011). In this section, I outline the findings I obtained through the coding process. All findings obtained from this process can be linked to the tenets of modern portfolio theory. I outline how I arrived at the findings, and I highlight any noteworthy correlations that helped in answering the research questions based on the identified reflections of the participants. Each question asked in the interview protocol

corresponded to a research question, and aided, at the same time, to deepen my understanding of the factors that have to be considered when one wishes to adopt a financial diversification strategy in a public library. This was the intent of the qualitative case study: to investigate the feasibility of financial diversification in a public library, and become thoroughly familiar with legal, structural, and attitudinal factors that impact such a decision. Detailed descriptions of the findings are provided in the following sections by following the structure of the interview protocol.

Interviews With Library Directors, Assistant Library Directors, and Branch Managers

Interview Question 1. The first research question was exploratory in nature. This question was posed to find out more about the financial challenges that decision makers at CCLS were facing. Tax issues emerged as a key finding in the analysis. For example, respondent F1 believed that the loss of tax base due to a high residential vacancy rate, loss of industry, and the difficulty of attracting new industries to the county were the main reasons that the CCLS experienced financial problems. Respondent F10 also alluded to these facts; she said that the loss of taxes through a decline in the student population compounded the financial problems of Clayton County. Participants F2, F5, F8, F13, F15, M2, and M3 also believed that difficulty in attracting, and retaining quality personnel, and the relatively poor performance of the library sector, when compared to other county departments, were some of the reasons that contributed to the financial challenges of CCLS. One former library director (F7) said that the financial problems affecting the CCLS were the result of the elected officials' failure in Clayton County to

recognize the value of public libraries. Nonetheless, the diminishing tax base in Clayton County emerged as the main cause of the financial challenges plaguing the CCLS.

Interview Question 2. The second research question investigated how these financial challenges impacted the functioning of CCLS. 11 of the 18 interviewees said that inadequate funding undermined community involvement in library activities—library operations depend to a large extent on community involvement. Others stated that the main impact of the library’s financial problems was felt through the inadequate pay for the workers; inadequate funds also led to inadequate purchases of new materials, and needed supplies. Most of the library’s money came from sponsors, and well-wishers. Six branch managers (F2, F4, F5, F8, F13, & M2) said that the financial challenges at CCLS affected sustainability of library programs in their branches. However, two of them (F4 and F13) said that they were not in a position to contribute authoritatively to this question because they were not directly involved in the decision-making processes of CCLS. Regardless, they were sure that funding challenges affected the decision-making processes of the library. One former library director (F7) believed that the library’s financial challenges affected the state of its buildings, and the quality of the repairs. Respondent F3 said that the financial challenges encountered at CCLS manifested as low-income at the service areas. Service area (Clayton County) has low high school graduation rate, and a low education level that frequently results in residents not understanding the importance of public library services. Many local residents committed to supporting services such as public libraries, moved away from the county a few years

ago when the county's school district became the first U.S. school district in 40 years to lose its accreditation.

This outcome was synonymous with a lower level of community involvement in library affairs, and a lower tax base as well. Respondent F11 also said that the public's ignorance about the management of library services compounded the financial problems of the library. She expanded on this statement by adding that many people believed that CCLS gets adequate funding from the county government, but, in her view, this was an exaggeration of facts. Similarly, Participant F14 said, few people understood the funding formula used by state, and local government authorities to finance government operations. For example, she added, only a few library purchases (e.g., the materials budget, and the budget for new libraries) are eligible for state funding. The exit of retail stores such as Target, Publix, Old Navy, and Staples also emerged as causes of the financial problems of the CCLS because their departure reduced the tax revenue. Similarly, politics emerged as a reason compounding the financial problems of the CCLS; one former library director (F7) cited disputes, and differences of opinion between Democrats, and Republicans that made it difficult for elected officials to protect public revenue. She added that Clayton County had experienced losses in sales tax revenue by subsidizing the activities of Delta Air Lines, which ended up benefitting Atlanta, where the airline is located, and not Clayton.

Two branch managers (F4 and F13) said they could not speak authoritatively about the research issue because they did not have the institution's financial records. They had a relatively different perspective about the financial challenges affecting CCLS;

one of them (F4) said that her main challenge was lack of information regarding the library's financial allocation for each year. Respondent F13 also said they had problems funding new programs, and paying workers because of financial challenges. Four other branch managers (F2, F5, F8, & M2) said limited funding forced libraries to undertake programs that required little or no financial investments. In fact, one of them (F8) made the following statement:

It is difficult at times to plan, and implement ongoing or sustainable programs, and workshops that meet the needs of the community. I have found that one of the things that gets a community such as the one we serve is offering incentives which we do not have the means to provide.

Three branch managers (F5, F8, & M2) also said that lack of adequate staff created an operational problem in terms of staff allocation because inadequate staff numbers force some staff members to work in programs, or departments that they would otherwise not have worked. This challenge led to reduction in program quality. One library director (F9) said that limited financial resources disrupted workflow in the organization, and led to a waste of resources because they often trained employees who soon afterwards left the organization in search of greener pastures, as they could not get proper compensation at CCLS. Broadly speaking, 11 out of the 18 respondents (F2, F3, F4, F5, F7, F8, F9, F11, F13, F14, and M2) said that financial challenges affected the kind of services they could offer, and the ability to fund ongoing programs. Respondent F11 also supported this view; she said that Clayton County did not pay its employees enough to retain them. Similarly, she said, unemployment is high because of that very

reason. One library director (F9) said that the financial challenges of CCLS made it difficult for the library to retain its workers because they could not pay them well as other libraries pay their staff. This director also said that they could not afford to pay their employees to attend seminars, and workshops where they could share their experiences with other employees to improve their productivity, or solve common problems. She also hinted that financial challenges made it difficult for them to fund ongoing programs, and to properly maintain their buildings. One male respondent supported this opinion by saying that the library could not offer programming services because of inadequate funding. When asked to describe how the financial problems have affected the operational decisions of the library, he said that they seriously affected the purchase of supplies, and materials. Some of the respondents said that existing library programs also suffered from reduced funding because the library did not have enough money to support quality programs. However, others said that reduced funding resulted in a higher unemployment rates, and a reduced income for some of the employees. One former library director (F7) agreed with this assessment by stating, "This has the effect of lowering salaries for library staff, and a lower level of funding for library operations." When asked to explain how she overcame or managed these challenges, she said,

Running a "tight ship," carefully managing the available resources, and considering how expenditures will provide the most value for the dollars spent allowed the library system to make the most of available resources.

The same respondent said that limited funding greatly affected the library's operational decisions because it determined the staffing levels, and operational hours of

the CCLS. She also reinforced the views of respondent F4 who strongly expressed that limited funding affected the library's ability to provide programming services.

Interview Question 3. The third research question addressed how CCLS could diversify its funding sources. Respondent F1 said collaborating with other organizations such as Amazon.com could help diversify the library's sources of income. The CCLS could have such an arrangement; it would allow users to purchase materials that they cannot borrow from the library. Respondent F3 said that using Friends of the Library for fundraising in support of library operations was a useful strategy of diversifying the library's funding sources. The Friends could reach out to other parties, and redirect their contributions to the library through grants, and gifts. Also, seven respondents (F1, F3, F10, F11, F14, F15 and M3) mentioned introducing Impact Fees (IFs), and Participation on Special Project Local Option Sales Tax (SPLOST) initiatives as alternatives for raising money for the CCLS. When asked to elaborate how this strategy might help to improve the library's finances, one interviewee, (F3) explained:

Impact Fees allow county, and municipal governments to levy additional taxes on developers of commercial, and residential properties to finance the "gap" between the amounts budgeted for services prior to the development, and the additional demand for services the additional offices and/or residences will require.

Based on this analysis, local and municipal governments have a huge role to play in making sure that this strategy succeeds. Five of the respondents (F7, F4, F5, F8, and F9) proposed that establishing an active nonprofit foundation for the library was a good way of diversifying the library's financial scope. Partnerships also emerged as a way of

doing this. Relative to this fact, one respondent (F8) said, “Consider ‘Partners in Libraries’ programs whereby local businesses ‘adopt’ specific branches, similar to the active local ‘Partners in Education’ program, in which businesses adopt specific schools.”

One of the respondents (F4) said that allocating equal funding to the libraries was a way of diversifying funding as well. She advocated in particular the use of a funding formula that would share funds according to departmental size. Five branch managers (F2, F4, F5, F8 and F13) also supported the pursuit of profitable partnerships with other organizations, and corporations. Respondent F8 suggested the consideration of fundraising as an alternative profitable venture. Comprehensively, the respondents held quite divergent views regarding diversification.

Interview Question 4. The last research question investigated the legal ramifications CCLS would face if it adopted a financial diversification strategy. In regard to this line of questioning, Three of the respondents (F2, F4, and F13) remarked that they were not in a position to answer such question because they were not familiar with these issues. The directors, and assistant directors (F1, F3, F7, F9, F10, F11, F14, F15, and M3) seemed to be in the best position to answer such questions. Respondent F1 explained that existing regulations did not allow the library to make profit by charging their users; it merely allowed them to recover their costs by charging a small fee for their services. Expanding on the impact of the legal constraints affecting the CCLS, F9 explained that the library could not introduce an alternative source of funding without the approval of the county commissioner. The respondent stated:

This situation is unusual in Georgia because, although the local government is a funding agency for Georgia public libraries, most libraries in the state are governed by the Library Board of Trustees, who are appointed by the agencies that contribute to the library's support. This form of governance, which predominates in Georgia, allows elected officials to keep an “arm's distance” from such possible problems as calls for censorship.

As a former library director, F7 also said that the money obtained by charging small fees was barely enough to cover some of the institution's basic operations. When asked to suggest how to overcome some of the legal problems of the library, she said that she was at a complete loss when it came to answering that question. However, one respondent, (F3) advanced the opinion that the CCLS might be able to navigate the legal hurdles of collecting money by allowing independent parties to undertake this function and, then, redirect the contributions to the library as donations, as opposed to letting the library collect the funds directly.

Three branch managers (F5, F8 and M2) said that they were legally constrained from undertaking independent programs because they had to seek approval from the library directors. Often, their superiors would reverse their decisions because of budgetary issues. One library director (F9) added that the legal constraints on the CCLS's operations made it difficult for them to make extra money by putting into effect alternative income-generating methods. She drew attention to the ability of Parks and Recreation Department to do so, despite being a government agency, by saying,

Under that umbrella, parks and recreation, their meeting rooms, they rent them out. We give ours out free. I am asking the question now, how is it that they can rent theirs, and we have to let people use ours for free? We ought to be able to do the same kind of thing.

Interviews With Grant Writers

Grant Writer Interview Question 1. The first question explored the structural implications of adopting a financial diversification strategy at CCLS. Respondent M1 said that having diverse sources of funding would put a great deal of pressure on library administrators to manage these funding sources. When asked to state how libraries cope with their financial problems, the respondent said that cutting back on programs, and discontinuing nonessential programs was the only strategy that most libraries have commonly adopted. Respondent F6 said that risk reduction was the main implication when adopting a financial diversification strategy. Respondent F12 contended that adopting a financial diversification strategy would give library administrators the experience they sorely needed to come up with more innovative ways of raising funds.

Grant Writer Interview Question 2. The second research question examined how state, federal, and local restrictions on library activities affected diversification options at CCLS. Respondent M1 said that different counties, and states placed different restrictions on funding; therefore, each library is bound to respond differently to its financial challenges. However, Georgia does not impose many rules on funding. CCLS had, thus, a better-than-average opportunity to seek alternative sources of funding. However, respondent M1 cautioned against ignoring the political powers with respect to

this issue because a library's quest, meaning "begging for money," could easily annoy legislators, and induce them to change the laws that allow them to do so.

When asked to describe the kinds of things that most donors look for when funding public libraries, respondent F6 said that the perceived needs of the community exerted the strongest influence on their decision-making processes, and appeared to outweigh any other factors. Therefore, donors were likely to fund libraries if they felt that they were truly addressing community needs. Also, respondent F6 said that she was unaware of any legal restrictions that prevented libraries from pursuing private funding as a source of income. She addressed this issue in the following way:

In our vernacular, sponsors are typically businesses engaged in cause marketing. By aligning themselves with a "winning," or well-respected, community organization that delivers great services, they can enjoy some of the same positive affinity, and recognition, and possibly boost their sales.

Grant Writer Interview Question 3. The third research question was designed to gain information about operational considerations when adopting a financial diversification strategy. Respondent F1 explained:

Again, the operational considerations have to do with how much time can the library staff, including the director, devote to it. If you are a director of Piedmont's Regional, or Uncle Remus Regional Library, and you got four, or five counties, you have all these city governments, and all these county governments that feed money in. You are out there like that busy bee, travelling down the road, visiting, going to meetings, staying in touch with people . . . It is a lot more work when

you get a few thousand here, and a few thousand there, and 10,000 here, and you are sort of cobbling a budget together—that is a totally different level of work.

Additionally, respondent M1 mentioned the need to get the right people to champion the diversification strategy. He also mentioned the need of the leadership to build capacity to accommodate a financial diversification strategy. Respondent F12 held a similar view. Most important, she thought, was building the capacity to ensure that there were proper accountability measures in place to show investors that the library is using their money well. However, respondent F6 cautioned library administrators against the risk of ignoring the interests of friends, and partners because their business interests were the catalyst of their magnanimity, and involvement in library management activities.

Grant Writer Interview Question 4. The fourth research question addressed how libraries that have transitioned from a nonprofit status to a for-profit status could handle the operational challenges involved in such a move. Respondent M1 pointed out that adoption of a financial diversification strategy did not equate to a for-profit status, because libraries were allowed to use extra funding to cover basic expenses. Respondent F12 said that the strategy could reduce revenue volatility, and his opinion implied that, when public libraries sought alternative sources of funding through diversification, they would equalize their reliance on contributions, and public sources of finance. Comprehensively, the positive response of respondent F12 showed that a financial diversification strategy would create a stable revenue stream, thereby promoting the longevity of the public institutions such as CCLS.

Findings From the Document Review

The document review process involved the following CCLS documents:

- Budgets for FY 2014, FY 2015, and FY 2016
- Friends of the Library Minutes from January 2014 to November 2015

In each budget, I looked for evidence of diversification strategies over the 3-year period examined, that is, for emerging patterns, themes, and discourses about the potential implementation of a diversification strategy. I also examined the minutes of the Friends of the Library and Board of Trustees meetings to document any changes in funding sources within the given period.

Minutes of the 2014 and 2015 Friends of the Library Meetings

Meeting minutes related to grants. An assessment of the 2014 and 2015 Friends of the Library meeting showed that the CCLS received grants from different agencies. For example, an entity of Housing and Urban Development (HUD) gave the library a grant of \$87,000 to provide family-friendly computer laboratories. The American Library Association / Financial Industry Regulatory Authority (ALA/FINRA) gave the institution a grant of \$100,000 to undertake a financial literacy program in the institution. These contributions showed that the institution did, in fact, receive grant money.

Meeting minutes related to donations. There was evidence of that CCLS received donations from companies, and other organizations. The 2015 Friends of the Library meeting, held in the month of July, showed that it needed a nonprofit bank account to receive money from well-wishers. There was also evidence that the institution received money from the Board of Trustees (BOT) through the BOT account. The

library's constitution also stated that the Board of Trustees should oversee all donations given to the library. The kinds of donations received were land, money, and other property.

Meeting minutes related to sales. There was evidence in the meeting minutes related to sales engaged in by CCLS; it comprised mainly book sales to supplement the library's income. The library received a total of \$1,066 from book sales in 2014. Table sales, and lobby sales were also part of the institution's income sources. In 2016, the CCLS netted \$103,898. In 2015, this figure was more than \$300,000. Similar book sales have also occurred more recently.

Budget Review of the CCLS Library for FY 2014, FY 2015, and FY 2016

An assessment of CCLS budgets for FY 2014, FY 2015, and FY 2016 showed that the library had not undertaken any innovative financial diversification strategies (see Appendix H). However, one of the library's goals was to increase its support through public advocacy, and the advancement of public-private partnerships.

For the budgets, I checked for evidences of diversification strategies over the three years mentioned, observed patterns, themes, and discourse about the implementation of, or possible diversification functions, but could not find any tangible indication of fundraising, or whether CCLS sourced income from other sources. Likewise, I examined the minutes of the Friends of the Library to see if there were any changes in funding sources within the given period. These documents provided very little new information to the study. From the interviews, and document review, it appeared that

the directors were pretty much resigned to not being successful, and needed a boost of energy. I followed up on this in Chapter 5 since it was an interpretation.

Emergent Themes

Operational Issues

Operational issues emerged as a common theme among the respondents interviewed. It mostly sought to answer RQ2, which strove to investigate the challenges affecting CCLS. Most of the respondents I interviewed gave different views regarding the main types of challenges affecting the organization. Most of the challenges they mentioned were operational in nature. Collectively, their views highlighted their concerns regarding the execution of a financial diversification strategy at CCLS – a strategy which they were unfamiliar with, and had rarely been experimented by other public libraries. Some of the respondents felt that a financial diversification strategy would clash with existing operational dynamics of the library, which were already aligned with the non-profit making mantra of the organization. Others felt that a financial diversification strategy would interfere with the spirit of public service because they believed that a financial diversification strategy was mostly applicable to for-profit organizations. In this regard, they deemed the adoption of alternative income-generating strategies as a contradictory philosophy in the operations of a public library, such as CCLS. This was the main premise that birthed operational issues as an emergent theme in the study.

Legal Considerations

Legal concerns surrounding adoption of a financial diversification strategy at CCLS emerged as another theme in this analysis. The institution's managers mostly

highlighted this issue in their responses. In fact, all of them mentioned it as a concern because statutes, and policies that are legally binding govern the library's activities. Failure to observe them could lead to an infringement of law, and possibly, new penalties, fines or the loss of employment for those responsible. Therefore, the legal considerations highlighted in this theme represented the framework for analysis through which all the other discussions were centered. Former CCLS library administrators, and middle-level managers who expressed concerns regarding the library's ability to circumnavigate its guiding principles of operations, which were enshrined in a non-profit making framework, frequently mentioned this theme. It was instrumental in answering RQ2, and RQ4. Its relationship with RQ4 was more direct than its relationship with RQ2 because RQ4 strove to investigate the legal considerations that CCLS would face when considering the adoption of a financial diversification strategy at CCLS. Its relationship with RQ2 emerged because conflicts surrounding the implementation of a financial diversification strategy within a legal framework of public service that does not directly recognize for-profit revenue generation strategies are challenges that RQ2 investigated.

Leadership Issues

Leadership emerged as a key theme in this analysis because most of the views expressed by the respondents pointed towards the need to have a common direction in the execution of organizational strategies. Particularly, the theme was more vivid among participants who said financial diversification was an uncommon strategy in the public library sector, and if it were to work at CCLS, there needs to be a strong leadership to guide such a focus. Indeed, most of the library's employees (current, and former) did not

know how such a strategy would work in the institution, as it was commonly used in the private sector only. The success of its implementation hinged on the importance of having a common figure that would give employees confidence in implementing such a strategy, and helping them to see the vision of improved operational outcomes as a result of financial diversification. The need for inspiration to achieve the financial goals of the institution also reinforced the leadership theme as current ongoing political, and economic issues facing the library demoralized many employees. For example, some of them could have been discouraged by the relatively diminished importance of the library sector in today's globalized world, while others felt "less important" because of the same reason. The pessimism expressed by some respondents regarding the adoption of new revenue generating strategies, and the uncertainty associated with adopting a financial diversification strategy at CCLS further affirmed the emergence of the leadership theme in the study. Last, the same theme sufficed through the views of different respondents who highlighted the importance of coordination among different library departments when executing the financial diversification strategy. This issue was further reinforced through the document review analysis which highlighted the importance of different organizational departments coming together to implement critical strategies of financial diversification. This fact emerged in the review of Friends of the Library meeting minutes because through periodic discussions between the Friends, and library management, the need for increased coordination of organizational processes sufficed. The role of the administrators in steering such discussions, and in creating a consensus among different stakeholders regarding divisive operational issues also affirmed the importance of

leadership in the institution's processes. Similarly, their role in creating an environment of innovation, and sound, or stable, growth that would support the formulation and implementation of financial diversification strategies also highlighted the theme of leadership in the findings. The views expressed by the respondents during the interviews also affirmed the same point of analysis because they revealed the need to have an environment that would not only support financial innovation, but also lead the quest to improve the independence of libraries through the development of multiple funding channels. From this analysis, leadership emerged as a central theme that prevailed through different stages of the study. This theme aligned with RQ3 and RQ4 because they both emphasized the role of leadership in steering a financial diversification strategy at CCLS, and in evaluating the main issues that would be poignant in the implementation, or adoption, of the strategy. The latter part of this statement was emphasized through RQ4, which mostly highlighted the role of legal considerations in formulating, and executing a financial diversification strategy at CCLS.

Organizational Capacity

Organizational capacity emerged as an important theme in our analysis because it highlighted the need for a contextual account of the research focus. This theme was common among all the respondents mentioned because they were wary of the potential for CCLS to adopt some of the financial diversification strategies they knew. This theme also emerged as a limitation to the kinds of financial diversification strategies CCLS could adopt. Key concerns about the number of employees at CCLS, their quality, skills, and experiences were the key pillars for the development of this theme. Similarly, the

physical, and material requirements needed for the implementation of a financial diversification strategy, and the information sources required to formulate, and apply such strategies were instrumental in identifying this theme. The theme of organizational capacity also emerged from the existing concern by the respondents about CCLS's ability to fulfill its organizational goals. The concern emerged from the frequency of the respondents to express their concern about CCLS's resources and capabilities that would support a financial diversification strategy. Some of the respondents also highlighted the impact that internal organizational capabilities would have on the relationship between CCLS, and its shareholders. The issue of stakeholder commitment emerged as one of the most important tenets of the organizational capability theme because most of the respondents highlighted the need to engage with external stakeholders as a prerequisite for the realization of stakeholder commitment. This review included promoting outreach programs among "hard-to-reach" groups because most of them felt that realizing stakeholder "buy-in" was an important attribute for the successful execution of a financial diversification strategy. The knowledge capacity of CCLS leadership to adopt a financial diversification strategy also complemented the emergence of organizational capacity as an inherent theme in the analysis because the directors frequently mentioned the need to train employees about the importance of financial diversification strategies. They also emphasized the importance of having sufficient knowledge to do so. They expressed these views within the context of developing an ability to adopt techniques and practices that would ordinarily support such a strategy in CCLS and the public library sector in general.

The theme of organizational capacity aligned with RQ1, and RQ4 because both questions addressed capacity issues of CCLS to adopt a financial diversification strategy. For example, financial constraints are capacity limitations of CCLS, which have plagued its operations for several years. All the respondents agreed with this fact. Documents reviewed also affirmed the same issue because they highlighted different attempts by CCLS to look for alternative sources of funding through grants, donations, and setting up library foundation. The conversations in RQ4 also merged with the contents of this theme because the capacity of CCLS to adopt, or embrace, a financial diversification strategy was a legal issue that required a careful review of the options available for public libraries to adopt alternative sources of funding. The availability of such options expressed the need to investigate CCLS's capacity issues.

Goal Ambiguity: Goal ambiguity emerged as a key theme in this analysis, based on the confusion that surrounded the application of a for-profit business strategy in a non-profit institution. The respondents frequently expressed this view when they pondered how a financial diversification strategy could work in the context of the public library sector, which was not mandated to generate revenue, but provide services. Indeed, some of the respondents felt that the spirit of the public library sector was not meant to generate more revenue, like for-profit entities, but instead engage in the efficient use of public library resources to fulfill some of the core mandates of CCLS. In this regard, the respondents believed there was an ambiguity of goal, and purpose associated with the execution of a financial diversification strategy at CCLS.

Some respondents who believed that their core purpose of working at CCLS was not to generate more money for the organization, but to provide services to citizens further magnified this theme. Coming from a public service sector background, their views were understandable as some of them felt that the perfect execution of a financial diversification strategy required important business skills, which were not necessarily found in the public library sector. The ambiguity of skill requirements for different cadres of employees in public, and private sectors therefore emerged in this regard.

This theme aligned with RQ2, and RQ3, which addressed the challenges affecting CCLS, and explored ways that leadership of the library could diversify its funding. Its association with RQ3 was more direct than its relation with RQ2 is because goal ambiguity is mostly a leadership issue. In other words, lack of proper leadership leads to goal ambiguity. The opposite is also true because effective leadership eliminates goal ambiguity. RQ2 also professed the same relationship with the topic of discussion because goal ambiguity emerged as one of the challenges affecting the library, especially concerning the adoption of a financial diversification strategy at CCLS. This issue reflected a clash of views regarding what public libraries, and their staff should do. A deeper analysis of the same issue showed a conflict of the core mandate of the public libraries because, traditionally, public libraries are not mandated to generate revenues for themselves through profit-making ventures. Through this insight, the theme of goal ambiguity helped in answering questions about RQ2. Furthermore, it drew the relationship between RQ2, and the overall purpose of the research, which was to provide a thorough understanding of the unique structural, legal, and operational dynamics

associated with adopting a financial diversification strategy in the CCLS, and to explore what would support or, conversely, hinder the implementation of such a strategy. Based on this relationship, most of the information obtained from this theme helped to answer RQ2 and RQ3.

Summary

This chapter documented the findings from interviews, and the document review process. The interviews revealed lack of income because the tax base of the county has suffered a decline. Also, it revealed that tax issues were part of the financial challenges of the CCLS. Tax issues affected the CCLS because they put limits on the institution's ability to finance ongoing programs, and pay its workers well enough to retain them. Consequently, all library branches within the system suffered from operational/managerial problem such as a high employee turnover rate. Some of these problems stemmed from the legal restrictions imposed on the library's operational guidelines that prevented the institution from seeking alternative sources of income. However, 13 of the 18 respondents agreed that seeking profitable partnerships could be a first step toward diversifying the institution's financial pool. Documents reviewed showed that CCLS had attempted to diversify its sources of income beyond its traditional sources. Integration, synthesis, and evaluation of the findings are presented in Chapter 5. In addition, study limitations, and recommendations for further research are noted.

Chapter 5: Discussion, Conclusions, and Recommendations

Introduction

A search for ways in which the Clayton County Library System (CCLS) could adopt a financial diversification strategy to improve its sustainability was the impetus to mount this study. First, a thorough understanding was required about the ordinary functioning of this public library, and then an evaluation was needed of the financial problems that the CCLS was currently experiencing. The third step was an examination of the factors that could either help, or hinder this quest for financial diversification. I chose a qualitative case study design for this research project, and used two sources for data collection: face-to-face interviews with knowledgeable persons, and document review. I interviewed two library directors, seven assistant directors, six library branch managers, and three grant writers ($N = 18$) who were familiar with, and understood the financial practices of public libraries. The main focus of these interviews was gaining a deeper understanding of how the legal, and operational dynamics at the CCLS might affect the adoption of a financial diversification strategy. With the use of the NVivo 11 coding technique, different findings that explained the factors to consider when adopting such a strategy at the CCLS emerged. I found out in great detail that financial diversification would be a complex undertaking for the CCLS because stakeholders must consider the implications of organizational characteristics, legal frameworks, and management attitudes before adopting such a strategy. Similarly, I discovered that the “blind” adoption of a financial diversification strategy at the CCLS could distract the organization from pursuing its true goals because nonprofit financial entities have a

different mandate from that of profit-making organizations (Albertini, 2013). Last, I was able to expose the difficulties associated with measuring the performance of the CCLS, should it adopt a financial diversification strategy. In this chapter, I summarize the research findings, and describe the implications that public libraries have to contend with if they wish to adopt a financial diversification strategy. I also describe the need to consider these issues when making recommendations to the stakeholders of a public library regarding the adoption of a financial diversification strategy.

Interpretation of Findings

Establishing the extent of government support to a public library is difficult because governments are often under increasing pressure to finance the operations of other institutions such as security, health care, schools, and other public agencies. This trend stems from the increased scope of public funding by federal and state governments, which has expanded since the 1960s (American Library Association, 2014). This study showed that many public libraries are receiving funding from different levels of government, including the federal government, state authorities, and municipal authorities (American Library Association, 2013). Government funding has remained a traditional source of public library funding because of its stability, and relative security. In fact, many social welfare organizations (besides public libraries) seek public, or government, funding based on these advantages. This was why Blume-Kohout, Kumar, and Sood (2014) wrote that government funding is like “money in the bank.” An independent report recently disclosed that approximately 40% of government funding is ordinarily preapproved (Cuillier & Stoffle, 2011; Thornton, 2014). In fact, government

agencies occasionally dispense with the requirement to submit a formal application to fund social welfare programs. New organizations that engage in new projects are often disadvantaged when seeking government funding because the process of seeking new funding is cumbersome (Thornton, 2014).

Public libraries have often benefitted from the stability, and ease associated with government funding. However, revenue volatility, and the sustained demand for library services have made it difficult for these institutions to continue relying on this source of income (Cuillier & Stoffle, 2011). Consequently, they have to seek alternative sources of funds to finance their operations (Cuillier & Stoffle, 2011). This is what has driven them to pursue alternative sources of money, as documented in this study.

Financial diversification is a new concept in the financial management practices of nonprofit entities that strive to solve their financial problems. The themes highlighted in this study effectively addressed the purpose of the research, which was to provide a thorough understanding of the unique structural, legal, and operational dynamics associated with adopting a financial diversification strategy at CCLS, and to explore what would support or, conversely, hinder the implementation of such a strategy. The goal in this analysis was to convey the factors that CCLS would have to consider when formulating, or implementing, a financial diversification strategy. The different themes identified in the findings explained different tenets of the purpose statement. For example, the themes of organizational capacity, leadership issues, and operational issues explained the unique structural, legal, and operational dynamics of CCLS associated with adopting a financial diversification strategy at the institution. The themes of goal

ambiguity, leadership issues, and operational issues also highlighted some of the factors that could either support or hinder the implementation of a financial diversification strategy at CCLS. The RQs fed into the themes, thereby providing a coherent structure and method of meeting the research purpose. The diagram below refers to the thorough discussion of the relationships in Chapter 4.

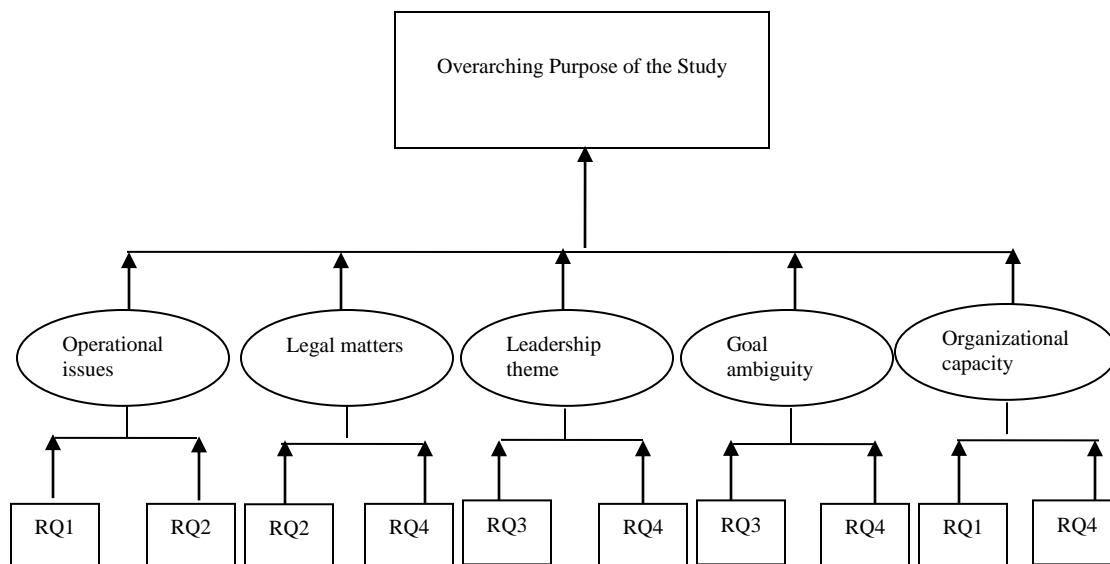


Figure 5. Research overview.

Many researchers have investigated the application of diversification within the scope of the lucrative profit-making sector but have ignored its application in social welfare organizations (Bowman, 2011). Thus, very little attention has been placed on its application in public libraries; however, based on the financial challenges that affect public libraries today, researchers are now concerned about its application in nonprofit organizations (Coffman, 2013). The CCLS provided a perfect example of an institution that experienced the financial challenges of a poorly performing global economy. As such, its library directors provided varied views regarding the adoption of a financial

diversification strategy in this organization. Among the interviewees, I observed some indications of low energy, feelings that it might not be possible to save the libraries, and lack of enthusiasm to try to meet target goals. It appeared that the directors were largely resigned to not being successful, and needed a boost of energy. These stoic resignations highlighted the importance of understanding the effects of legal restrictions, management attitudes, and organizational practices when implementing a financial diversification strategy. Legal issues emerged as the most serious concerns for such institutions when financial diversification is being considered.

Researchers have often highlighted legal constraints as restrictions on the financial practices of different organizations (Bowman, 2011; Coffman, 2013). As documented in Chapter 4, many respondents agreed that existing legal statutes constrained the potential to adopt financial diversification practices at the CCLS. Taxation emerged as the most notable concern among the respondents because, as they pointed out, the law exempts most public libraries from taxation due to the nature of their social welfare activities. Based on this fact, many respondents were pessimistic about the adoption of a financial diversification strategy in public libraries as long as stakeholders failed to discuss these legal restrictions.

The views of the interviewees echoed the findings of earlier researchers who contended that state agencies, and institutions such as CCLS frequently enjoyed legal protections that profit-making entities did not (Bowman, 2011; Coffman, 2013). For example, Helmig, Spraul, and Tremp (2012) highlighted general liability issues as legal impediments to the adoption of financial diversification practices in American public

libraries. The authors stated that, in line with the doctrine of sovereign immunity, it is impossible to sue the state, and its agencies, including public libraries, without their consent. CCLS (2014) thus enjoys sovereign immunity, unless there is a specific legal exception that states otherwise.

Different states have unique subsets of the law that exempts public institutions from prosecution. For example, the state of Georgia has a waiver through the Tort Claims Act, which states,

The state waives its sovereign immunity for the torts of state officers, and employees while acting within the scope of their official duties or employment. They shall be liable for such torts in the same way as a person or entity would be liable under similar circumstances; provided, however, that the state's sovereign immunity waivers, subject to all exceptions and limitations in this article. (Helmig et al., 2012, p. 66)

Therefore, the Tort Claims Act allows people to sue state officers based on the actions they commit when undertaking their duties. However, this legal provision does not exist in all states (Institute of Museum and Library Services, 2013), and public libraries that are outside the jurisdiction of Georgia may be subject to other unique sets of laws (Mapulanga, 2012). Nationally, sovereign immunity laws protect such institutions (Institute of Museum and Library Services, 2013). Besides outlining a framework that governs liability issues, Georgian laws affect the management structures of public libraries, and by extension, how well they can adopt financial diversification. For example, the law states that Boards of Trustees must manage public libraries in Georgia

(CCLS, 2014). The Board outlines the selection process for these groups of people, and states the length of their tenure (CCLS, 2014). The law also outlines specific duties, and responsibilities of these library staff. Concerning the financial practices of these institutions, existing legal statutes prohibit board members from accepting revenues that come from library activities, unless they are reimbursing themselves for activities they undertook while performing their duties (Klentzin, 2010). Similarly, in relation to another issue that affects the financial operations of public libraries in Georgia, the law states that such institutions may receive state funding only if they meet for a minimum of four times in 1 year (Klentzin, 2010). Furthermore, the law states that these meetings should include public participation. Issues concerning tax exemptions, and tax return compilations are also likely to emerge here. This view is in line with the goals of the Internal Revenue Service (IRS), which outlines tax code exemptions for public libraries, and other nonprofit organizations (Koliba, Meek, & Zia, 2011). A crucial requirement for these nonprofit organizations, in order to receive the privilege of nonpayment of income taxes, is absence of the pursuit of commercial, and monetary profits (Koliba et al., 2011). Some of the financial alternatives documented, such as entrepreneurial projects outside the library field, mergers, and privatizations, are problematic alternatives for the CCLS because they would cause legal ambiguity regarding the treatment of revenue obtained from adopting these financial options. Besides this issue, Section 501 of the American Constitution also requires tax-exempt institutions to demonstrate proper organizational, and structural exclusivity for charitable or public welfare purposes (Koliba et al., 2011). Similarly, the law indicates that tax-exempt organizations must spend their money on

charitable pursuits, or activities (Koliba et al., 2011). More importantly, Section 501 outlines that any organization that does not undertake its activities in line with its basic function should pay income tax (Koliba et al., 2011). This provision means that if CCLS engages in profit-making ventures outside its purview of library services, it is bound to pay income tax. This is why Koliba et al. (2011) wrote that if an institution provides shelter to the homeless but also engages in a business of selling motor vehicles, the revenue obtained from such “side businesses” may be subject to income tax. This same complexity characterizes public libraries when they engage in income-generating activities that do not fit within their primary goal of providing library services. The same challenge exists for sales, and property taxes because nonprofit entities are not required to pay these taxes (Koliba et al., 2011). Engaging in activities that are beyond their scope of operations, however, makes them eligible to pay such taxes. Based on the described legal requirements, it is unclear how existing legal provisions would accommodate a new mandate for public libraries to generate money through alternative means besides public funding. As a result of these dynamics, a complete shift of public library policies would need to occur if public libraries wanted to adopt a financial diversification strategy. If such a shift does not occur, a careful attempt must be made by the library’s financial planners to assure that new revenue-generating activities do not contradict existing laws.

Limitations of the Study

The limitations of this study refer to factors that affected the data analysis process. One such factor was the limited generalizability of the findings due to the relatively small sample of interviewees ($N = 18$). While I strove to recruit a diverse sample to interview,

the relatively small sample size meant that some variables might not be covered, and could emerge if these findings were applied outside the context of this study (Creamer & Ghoston, 2013). Therefore, it is important to consider the context of the study when evaluating the validity of the findings. The main assumption in recruiting a diverse sample was that the views obtained from the respondents would represent the views of major stakeholders involved in public library financing. For this reason, I sought to include the views not only of library directors, but also of other professionals such as assistant library directors, branch managers, and grant writers who had worked within this sector. While I used the one-case study design, which focused on the CCLS, my goal was to obtain a representative sample, and collect the respondents' views in the hope of painting a comprehensive picture of financial alternatives available to public libraries in the United States.

Lack of available data about the adoption of financial diversification strategies in public libraries was also a limitation. As highlighted in other sections, the focus of this study—diversifying funds to enhance the financial sustainability of a county library system—was an uncommon topic. This limitation affected the volume of available data for conducting background research about this topic. Furthermore, it limited the volume of information available for comparison purposes. Last, my presence during the interviews could have affected the quality of information provided by the respondents, thereby limiting the study in this regard (Priede, Jokinen, Ruuskanen, & Farrall, 2014; Staller, 2013). Nonetheless, the documented views of the respondents appeared to be free

of bias because all respondents stated their views quite freely in response to semistructured interview questions (see Appendix E).

Recommendations

Based on the research, it is recommended that public libraries diversify their sources of funding to support their mission-related duties. As has been documented, public institutions attract funds from charitable organizations, and corporate entities as alternative sources of income. Similarly, public libraries could pursue grants, and sponsorships from government foundations, as alternative sources of funding. I explored these sources of funding, and the effects of reliance on them on the operations of public libraries. However, I placed the emphasis of my research specifically upon controversial approaches to raising funds, namely, commercial activities that are outside the purview of the library sector, as well as the increase of library fees. These alternative approaches to fundraising did meet with considerable anxiety, and open criticism because of their potentially negative influence on the mission, and goals of the public library. However, the critics seldom acknowledged the potential negative ramifications associated with contemporary sources of finance.

The literature review revealed that alternative sources of funding, which could supplement the income of public libraries, include corporate partnerships, fundraising, expanding user charges, education funding, mergers, privatization, and undertaking entrepreneurial projects outside the library field. Based on the legal, and organizational issues depicted in this study, it is important to point out that some of these financial diversification options could prove to be problematic for the CCLS, and other public

institutions that share similar dynamics. For example, mergers, and privatization require legal changes. In particular, there need to be extensive lobbying efforts to make all library stakeholders agree to adopt a liberal framework that allows public libraries to conduct their business just as private entities do. More so, there should be a strong emphasis on making sure that, even though such changes occur, the institutions do not lose focus of their social welfare duties. Undertaking entrepreneurial projects outside the library field is also a problematic proposal because a clash in goals, and legal responsibilities would impede the adoption of such a strategy. Taxation is only one legal challenge that would emerge in this regard. The interview respondents in this study echoed, and affirmed these views, many of which had already been aired during studies regarding the feasibility of adopting a financial diversification strategy in other nonprofit institutions, not specifically public libraries.

Humphery-Jenner (2013) argued that pursuing commercial activities outside the library field is already a common practice for public libraries, and for other nonprofit entities as well. For example, museums commonly sell snacks through snack bars, within their premises (Aharony, 2012). Museums also manage shops, and rent extra space to third-party clients. Collectively, based on the challenges associated with adopting alternative sources of funds by public libraries, engaging in business ventures that resemble the same corporate activities undertaken by profit-making enterprises would require much political, and social lobbying. These challenges leave the CCLS with only a few alternatives for seeking alternative sources of funding. Concisely, based on the financial alternatives identified in the literature review, corporate partnerships,

fundraising, expanding user charges, and education funding are the main alternative sources of funding that could improve the financial sustainability of the CCLS. Stakeholders have used some of these funding sources before to improve the financial sustainability of public libraries (Bakar & Putri, 2013). Nonetheless, based on the limitations inherent in these often tried alternatives, and outlined earlier, the CCLS should be more focused on expanding its sources of funding, and explore the possibilities of alternative sources of income that are still in line with the nature of its mission, and goals. Such alternatives could include the following sources.

Individual Contributions

The interviews, document review, and literature review reveal that individual contributions are common alternative sources of funding for public libraries, but their unpredictable nature emphasizes the need for public libraries to seek more reliable sources of income that may be beyond the mandate outlined for public libraries. Sala, Knies, and Burton (2014) agreed with this fact by stating that, if public libraries seek individual contributions as the main alternative sources of funds, they are bound to experience turnover changes of more than 50%. Under these circumstances, it is difficult for library directors to plan for anything. Furthermore, since they cannot influence the activities of their donors, financial volatilities are similarly bound to affect them (Thornton, 2014).

The literature review indicated that goal displacement is another effect imposed by donations that public libraries must be aware of. This effect emerges from the modifications of library operations by library directors to align with the wishes of their

donors. In fact, a study conducted by Mapulanga (2013) revealed that up to 25% of all public libraries that have received donor funding within the past 5 years have modified their goals to align with the wishes of their donors. Furthermore, additional anecdotal evidence shows that some financial sponsors may stipulate stringent terms, and conditions for offering grants, and donations to their subjects. In fact, some public libraries have had to hire more staff to fulfill these requirements (Mapulanga, 2013). Sung, Hepworth, and Ragsdell (2013) added that enough evidence is available to show that some organizations, and foundations are increasingly dominating the space of private donations to public libraries. Some of these exert undue influence on many public libraries in America. This is an undesirable situation (Sung et al., 2013). Nonetheless, if public library managers understand these issues, they could benefit from individual donations as an alternative source of funding. Although individual contributions emerge as flexible sources of funds for public libraries, Winston (2013) argued that their agility in financing a library's operation is often overstated.

Responses from interviews, and literature review concurred that fundraising is a viable strategy for improving the financial stability of public libraries. It leaves room for public libraries to adopt innovative fundraising ideas that transcend the traditional concept of receiving funds from well-wishers (Collins, 2012). For example, the CCLS could rent out extra office space as conference facilities, and similar uses, where the clients could include both profit-making businesses, and nonprofit organizations. In this regard, the library could rent its office space to new, or existing businesses.

Corporate Contributions

Interviews, and literature review revealed that corporations are viable sources of alternative funding for public libraries. They can contribute to social welfare activities in many ways. For example, they could contribute in kind, gifts, and auxiliary services. Similar to individual donors, corporate donors could also cause revenue volatility, and goal displacement (Sung et al., 2013). Veg-Sala (2014) affirmed this fact when he wrote that revenue volatility may be problematic for public libraries, but their volatility is less than that of individual contributions. However, changing patterns in corporate management practices affect the viability of this funding source because many companies are using their resources to undertake international ventures, or promote education (Veg-Sala, 2014).

A review of literature indicated that companies are eager to avoid negative publicity, and they fear that corporate actions that might provoke a negative customer review could cause this outcome (Sung et al., 2013). In this regard, many corporations prefer to engage in activities that promote their corporate image (Veg-Sala, 2014). Therefore, the link between corporate funding, and their self-interests is tightening. While managers hold much sway regarding the value of contribution made to public libraries, corporate contributions activities are likely to be part of a company's marketing strategy, and not merely an expression of the company's benevolence (Matteson, Musser, & Allen, 2015). Some researchers characterized these actions as enlightened self-interest, or cause-related marketing (McMullen, 2011). However, if carefully targeted, corporate actions may cause goal ambiguity in public libraries. Goal ambiguity must be considered as an

issue when one recommends financial diversification of CCLS. However, as long as public library managers are aware of these issues, they could benefit greatly from corporate donations as an alternative source of funding.

Mergers and Partnerships

The literature review, document review, and interviews indicated that mergers and partnerships are the most viable strategies for diversifying the financial portfolios of public libraries. However, as Kostagiolas, Papadaki, Kanlis, & Papavlasopoulos (2013) observed, the biggest challenge associated with this strategy is the possibility of goal displacement. This challenge often occurs when private corporations introduce their governance practices in public service organizations that do not share their philosophies. Therefore, such partnerships are more transformative to public service governance than they should be (Kostagiolas et al., 2013). That was why Winston (2013) stated, “Corporate philanthropy is probably more closely aligned with immediate corporate self-interest, more professionalized in execution, and more transforming of the recipient organizations” (p. 33).

This statement by Winston (2013) shows that process, and structural change are the greatest hindrances to the adoption of mergers and partnerships. This concern aligns with two views expressed by respondents in this study. They emphasized that goal ambiguity, and organizational processes are common challenges to adoption of a financial diversification strategy. The impact of corporate board members in public library sponsorship is the main cause of such process changes (Winston, 2013). Consequently, public libraries such as the CCLS seek financial diversification options

that give them autonomy in their activities. Wells (2014) supported this view by stating that, before such institutions receive funds from private companies, they need to insist that their operational processes are nonnegotiable. In line with this argument, I have shown that organizational processes could hinder the adoption of financial diversification plans. Strong (2014) adopted a more divergent view by stating that public service organizations need first to consider how financial diversification would affect their organizational practices before they adopt the strategy. Second, if the strategy would affect existing organizational practices, they should consider how to align the goals of the organization, and the goals of the partners. However, if it is difficult to align both goals, Winston (2013) argued, they should resist the pressure of seeking alternative financial resources because they should not compromise their operational practices for any reason.

Foundation Grants

The interviews, document review, and literature review reveal that seeking funds through foundation grants has the same ramifications as seeking additional funding through corporate financing. Based on the research, observers support foundation grants as the best way of diversifying library funds because they promote professionalism when seeking alternative financial sources (Winston, 2013). Nonetheless, individual contributions, and corporate contributions have a greater effect on the financial practices of public libraries because they are more likely to cause goal ambiguities, and revenue volatilities (Winston, 2013). Williamson (2014), noted that this effect stems from the vast amount of cash that they could use as leverage on public libraries. In fact, these foundations give often more than \$1,000,000 in public library funding (Winston, 2013).

Furthermore, they provide these institutions with monetary support throughout the year. Responses from the interviews suggested that The Ford and Carnegie Foundations could provide the CCLS with much financial support because they specialize in providing such support to public libraries. However, Reid (2010) pointed out that public libraries need to be careful about the requirements associated with these grants because these foundations have enough power to influence the organizational practices of these public libraries, especially by announcing programmatic themes. Similarly, interview reports showed that the CCLS needs to be aware of the effects of goal displacement when seeking foundation grants because such granting organizations require public libraries to adhere to new rules regarding how to use the funds (Winston, 2013). In fact, according to a study conducted by Elbert, Fuegi, and Lipeikaite (2012), more than 123 workshops revealed that the wishes of the foundations often defined how public libraries would use the money they received. It is also important for public libraries to understand that, often, foundations prefer to finance traditional programs in public libraries, as opposed to programs that promote innovative practices.

Respondent F9 indicated that another alternative for raising money through foundations is seeking library grants from uncommon sources of funds. According to Lumos Research (2011), few libraries have explored the option of seeking library funding from private corporations, and international organizations that offer such grants. Furthermore, there are grants for specific library functions that could help to ease the financial burden that CCLS is experiencing. For example, technological grants for public libraries could provide financing for tech-reliant library services at the CCLS. The

Institute of Museum and Library Services (2013) also offers similar financial support through technical, and financial assistance to public libraries. CCLS should take advantage of such avenues to improve its financial sustainability.

Expanding the Scope of Library Fines

Interviews showed that libraries have always charged users for damaging, or losing their materials. This is a common global practice. Increasing such fines could improve the income of such libraries, and deter more people from losing or damaging library property. Therefore, this recommendation is a straightforward approach to increasing library finances. It also has the advantage of not presenting complex legal, or operational challenges because existing legal, and operational frameworks already accommodate such charges.

Implications

The literature review indicated that modern portfolio theory has stood for a long time on the premise, or the principle, that risk equates to volatility (Cottrell, 2011). This principle has largely controlled the language of the interviews in the present study. Moreover, it set the stage for the conclusion that seeking alternative sources of funding, in addition to public funds, would be the best strategy for improving the financial sustainability of public libraries. Modern portfolio theory supports this idea by proposing that investment is inherently superior to reliance on traditional sources of funding to finance activities of public libraries (Cottrell, 2012). Because this study outlined the practical views of working public library administrators, it would be incorrect to assume that the arguments presented are purely theoretical, or academic, in nature. It is rather

important to appreciate how the key tenets of modern portfolio theory describe the financial decisions of public library administrators, and other financial officers such as wealth managers, investment firms, and financial planners. Therefore, most profit-making, and nonprofit financial institutions use the ideas of modern portfolio theory to make financial decisions (Francis & Kim, 2013). This approach contrasts with traditional approaches of money management that focuses on asset allocation (Cottrell, 2011). In the context of this research study, the different investment portfolios included corporate partnerships, fundraising, expanding user charges, education funding, mergers, and privatizations, and undertaking entrepreneurial projects outside the library field. These options are available to the CCLS as possible alternatives for diversifying its financial sources.

Some of the reviewed literature emphasized the role of resource dependence theory for understanding the importance of financial diversification in public libraries. The fundamental concept of that theory lies in the ability of organizations to acquire, and maintain resources for financial prosperity (Francis & Kim, 2013). However, the scarcity, and uncertainty associated with national resources make it difficult for public libraries such as the CCLS to achieve their objectives by relying on the tenets of the resource-based view. The fact is that resources are inadequate, and unstable. This situation requires public libraries to interact with resource owners (Francis & Kim, 2013). These may include corporations, charitable organizations, and even individuals. According to Koliba et al. (2011), "An open system does not only mean that it engages in interchange with the environment, but that the interchange is an essential factor underlying the system's

viability” (p. 166). In this regard, public libraries are not completely autonomous entities. Stated differently, public libraries cannot pursue desired ends at their sole discretion. Instead, environmental limitations constrain their operations because of their resource needs (Francis & Kim, 2013). Therefore, adopting new concepts of modern portfolio theory would help in complementing the activities of public libraries because their autonomy depends on resource availability (Koliba et al., 2011). In other words, public libraries that do not have adequate access to organizational resources are often highly dependent on the resource owners, thereby making them vulnerable to third-party interests (Francis & Kim, 2013). Interviews, and document review inform that so far, the CCLS depended on state resources for its survival. This dependence has made it vulnerable to governmental influence. Thus, resource management has become a critical aspect of the library’s organizational practices. Referring to this fact, Winston (2013) stated, “Complying with the demands of important resource providers, avoiding controlling demands via co-optation, or acquisition of countervailing power, and avoiding dependence by maintaining alternative sources of key inputs are the major approaches to dependence management” (p. 16). This assertion outlined the purpose of this study because, in this study, I focused on identifying alternative sources of funds to enhance financial sustainability of CCLS. In line with this objective, the literature review, document review, and interviews highlighted the main factors to consider when modifying the locus of resource dependence for public libraries. Most important, the findings showed how to identify, and respond to the main factors affecting potential decisions by financial planners in public libraries to embrace financial diversification.

The literature review, and interviews revealed that from a legal standpoint, adopting a financial diversification strategy at the CCLS would, justifiably, cause several legal concerns because this step would bring into play taxation issues, exemption concerns, and accountability concerns. Financial diversification would, thus, mean that the public library is making money just like a private company does. In fact, such library would be competing in business fields—something private companies are already doing. However, private companies should abide by a different set of legal restrictions, compared to their public counterparts, noted Düren (2013). For example, they should file tax return forms, whereas social welfare organizations do not have to comply with such a requirement. Based on the findings of this study, the current legal framework that outlines the financial practices of the CCLS would be inadequate to accommodate commercially viable financial diversification strategies, a condition also discussed by Basri, Yusof, and Zin (2012). Most of the diversification alternatives documented such as privatization, and mergers are controversial because they would create legal hurdles in the financial management practices of public libraries. Therefore, for public libraries such as CCLS to implement financial diversification options, would require a comprehensive overhaul of the current legal framework of public library management. Furthermore, there need to be a long-term assessment of the implications of adopting new financial alternatives in public libraries. Particularly, taxation issues would loom as key areas of concern for policymakers because public institutions need to have a streamlined policy framework to shield them from legal consequences should their choices to increase their revenue contravene existing operational practices of public libraries (Massis, 2011).

Although findings from interviews in the current study highlighted key issues to consider when adopting financial diversification in CCLS, considerably more scholarly research is needed in this critical area to clarify the impact of legal diversity across different states, and explain their effect on the adoption of financial diversification in public libraries. Such research should reveal legal inconsistencies that appear across different states. It would, then, become possible to have a broader understanding of the implications of adopting financial diversification strategies that span across state lines (Woodby, Williams, Wittich, & Burgio, 2011). Last, future researchers should consider the use of random sampling in their study design; this would appear to be a prudent move, designed to broaden the scope and, thus, the understanding of the phenomenon under study by drawing upon the views of a wider selection of library administrators.

Implications for Positive Social Change

The findings of this research study may contribute to broadening a very limited pool of information regarding the adoption of financial diversification approaches in public libraries. By investigating financial sustainability in the case of the CCLS, this study contributed to the scholarly orientation, cultural, and intellectual growth of Clayton County residents, and library patrons because the continued services of the public library will play a crucial role in presenting educational, and cultural schemes to the residents (Massis, 2011). Furthermore, if the findings boost CCLS's leadership increasing capability to meet its financial commitments, the library's management could enhance the services it offers to the public, and include more academic as well as popular resources for its patrons. For instance, it could extend its hours of operation, and increase the

patrons' access to services. It could also add new materials to its existing collections, and weed out a large portion of outdated materials (Cottrell, 2011, 2012). Moreover, by boosting its financial status, the library system could hire more Clayton County residents, and benefit their families through remunerations earned by working for the organization (Ghosh, 2011).

In a similar vein, many local businesses would be supported by CCLS complementing their operations. For example, self-publishing authors, and local publishers may provide reading, and literacy materials to the library. Likewise, the CCLS could benefit from other vendors that supply scholastic materials to the library by aiding the organization's activities in different ways. As a result, entrepreneurs with businesses in Clayton County can rely on the library services to boost their manner of earning a living. Certainly, due to current uncertain economic tides, and decreased public funding, such businesses also run the risk of liquidation, just like many libraries do (McMullen, 2011). The CCLS could thus play an important role by advancing community development within its territory. By enhancing its financial condition, the CCLS could correspondingly improve local business by building capacity, and providing current information on businesses to patronize.

Finally, the findings of this study may be used for practical purposes, or in several ways by library directors, and policymakers who determine, and influence funding decisions, and budgetary allocations of such establishments. In this way, the insights gained can be beneficial the citizens, and the community of Clayton County, Georgia, and beyond. In other words, the results, and attendant recommendations may initiate

policy revisions in the region by advocating financial competence, and knowledge, including acceptable financial management practices. Such evolutions may expand financial prudence in public, and private arenas (Coffman, 2013). In addition, the findings may raise the general awareness about financial difficulties encountered by public libraries. This criterion alone should spur policymakers into action to fashion local solutions for handling, or controlling such challenges (Bailey, 2011). Creating a bona fide legislative infrastructure for financial metamorphosis would be one great way of doing so. Experts may, in the future, employ strategies that could potentially evolve from such insights, and awareness in the wider state of Georgia and beyond.

Conclusion

In this research study, I set out to investigate whether a financial diversification strategy would enhance the financial sustainability of the CCLS. In order to do so, I had to acquaint myself thoroughly not only with the operational practices of the CCLS, but also with the real-life financial challenges the library is currently facing. Only then, could I take the third step, and explore the operational challenges, and legal issues that might stand in the way of adopting such a strategy. Using a qualitative research approach, related literature, and face-to-face interviews with a sample of highly knowledgeable persons such as library administrators, and grant writers, the research results indicated that legal issues, goal ambiguity, organizational practices, and difficulty of measuring performance were the main issues to consider when adopting a financial diversification strategy at the CCLS.

Legal issues emerged as the main concern in this regard. Public libraries operate today within a constraining legal framework that defines the scope of activities they can engage in, and the associated forbidden actions as well. Since CCLS is a social welfare organization that subscribes to the principles of public service management, adopting a financial diversification strategy without altering existing legislations would amount to a contravention of existing legal frameworks that guide public service management. This would be an illegal act. Based on existing legal statutes, it is difficult for public libraries to engage in commercial activities that are beyond the scope outlined in the present legal framework.

This research also showed goal ambiguity to be a hurdle that might complicate the adoption of a financial diversification strategy at public libraries such as the CCLS. This study drew particular attention to the differing goals surrounding the management of social welfare services, and the management of public services. While one goal focuses on promoting the public good, others may focus on promoting shareholder interests. Some financial diversification options investigated, and described in this study drew attention to the serious issue of goal ambiguity.

The differences between the management practices of public versus private organizations also highlighted that an organization's structure may present a hurdle that requires careful consideration in planning to adopt a financial diversification strategy. Most operational practices of CCLS focus on service delivery. Furthermore, since most of the funding sources of the CCLS were state, and municipal authorities, there was a clear structure in place for how the funds had to be used. However, were this public

library to resort to alternative funding sources to supplement its income, and meet its financial obligations, it could run into complications regarding the applicable structures for managing library finances. In describing the requirements foundations, and corporate sponsors are trying to tie to their giving of grants, and other financial resources, I could affirm that most of these institutions were exerting undue influence on public libraries, even to the extent of causing structural changes in these institutions. Based on these factors, I considered it prudent to recommend that the CCLS adopt financial diversification strategies that did not result in structural conflicts, in addition to the aforementioned legal ones. Expansion of library fees, foundation grants, corporate sponsorships, and individual sponsorships are possible alternative sources of funding that fit this profile, provided that the library achieves acceptance, on the part of the sponsor, that the library's autonomy is nonnegotiable (Wells, 2014). The institution must make sure that it protects its structural integrity, and mission when seeking these alternative sources of funding (Winston, 2013).

Last, advocating for more allocation of financial resources from government, corporate sponsors, and individual donors to public libraries could alleviate the financial challenges that public libraries such the CCLS are experiencing. The first step in this process should be public enlightenment to understand the value of public libraries. Raising public awareness in this way can create a strong grass-root pressure that will prompt policymakers to act according to the public's wishes, and allocate the needed funds. The research outcome that suggested adopting alternative financing strategies that do not unduly draw public's attention upon the legal, or operational complexities of

financial diversification seem to be the best alternatives for improving the financial sustainability of public libraries.

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Appendix A: Invitation to Participants

Dear Library Director,

The essence of this letter is to invite your participation in a doctoral research study titled “Diversifying Funds to Enhance Financial Sustainability of a County Library.” The purpose of this study is to provide a thorough understanding of the unique structural, legal, and operational dynamics associated with adopting a financial diversification strategy in Clayton County Library System and explore what would support or, conversely, hinder this strategy. The intent is to use the findings from the study to provide recommendations that will provide useful information and data to policymakers, library administrators, and other stakeholders who are seeking ways to sustain public library funding. Ultimately, your participation will contribute to the body of knowledge available to future organizational leaders facing eras of public library funding challenges.

As a matter of introduction, I am the Managing Branch Librarian of the Morrow Branch of the Clayton County Library System, Jonesboro, GA. However, this study is separate from that role. This is a Walden University activity and not in any way related to my position within the library system. I am currently pursuing a Ph.D. program in Public Policy and Administration at Walden University with a concentration in Public Management and Leadership, a program under the direction of Dr. George Larkin. This study will fulfill my dissertation requirement within this program. Dr. Gary Kelsey serves as my chair for this study, and Dr. Beth Hagens and Dr. Joshua Ozymy are participating on my committee.

The proposed study is qualitative in nature and will require your participation in one tape recorded interview, anticipated to last no longer than 1 hour, and sharing of organizational budget or any relevant documents. This interview will be scheduled at your convenience and will be held at your office or any other mutually agreeable location. Follow-up interviews of no longer than 15-20 minutes via telephone may be necessary for clarifications, and I would appreciate your review of draft conclusions to ensure the validity of the study. Your participation is completely voluntary and you may withdraw from the study at any time. It would be my desire to schedule our interview sometime during the month of January 2016.

I would value your participation and will contact your office next week via telephone to discuss this further and answer any questions you may have. However, if you have any questions or concern before then, please feel free to contact me by my email at francis.adebola-wilson@waldenu.edu or on XXXXXXXXXXXX. Thank you for your consideration of this request.

Sincerely,
Francis Adebola-Wilson
Doctoral Student

Appendix B: Informed Consent Form

You are invited to take part in a research study of diversifying funds to enhance financial sustainability of a county library. The researcher is inviting library directors / policy makers, library branch managers, and library grant writers to be in the study. This form is part of a process called “informed consent” to allow you to understand this study before deciding whether to take part.

A researcher named Francis Adebola-Wilson, who is a doctoral student at Walden University, is conducting this study. You may already know the researcher as the Managing Branch Librarian of the Morrow Branch of Clayton County Library System, Jonesboro, GA., but this study is separate from that role. This is a Walden University activity and not in any way related to the researcher’s position within the library system.

Background Information:

The purpose of this study is to provide a thorough understanding of the unique structural, legal, and operational dynamics associated with adopting a financial diversification strategy in Clayton County Library System and explore what would support or, conversely, hinder this strategy.

Procedures:

If you agree to be in this study, you will be asked to:

- Be interviewed for approximately sixty (60) minutes, the interview will be audio recorded. Follow-up interviews of no longer than 15-20 minutes via telephone may be necessary for further clarifications.

- Provide the organization's budget for the current fiscal year or other relevant documents at the time of interview
- Review the draft conclusions to ensure the validity of the study.

Here are some sample questions:

- What financial challenges does CCLS encounter?
- How have these challenges affected the library?
- In what ways can leadership of Clayton County Library System diversify funding?
- What legal considerations does CCLS face in adopting a financial diversification strategy?

Voluntary Nature of the Study:

This study is voluntary. Everyone will respect your decision of whether or not you choose to be in the study. No one at Clayton County Library System will treat you differently if you decide not to be in the study. If you decide to join the study now, you can still change your mind later. You may stop at any time.

Risks and Benefits of Being in the Study:

Being in this type of study involves some risk of the minor discomforts that can be encountered in daily life, such as stress of the inconvenience of having the researcher in your place of work for one hour. Being in this study would not pose risk to your safety or wellbeing. The study is your opportunity to create increased awareness about financial challenges experienced by public libraries in the region, and encourage policy makers to create local solutions for managing such problems.

Payment:

There is no payment for participation in this study

Privacy:

Any information you provide will be kept confidential. The researcher will not use your personal information for any purposes outside of this research project. In addition, the researcher will not include your name or anything else that could identify you in the study reports. Data will be kept secure by storing audio tapes, transcripts and USB Flash Drives in a locked cabinet. In addition, I will store all electronic copies of data and recordings in a password-protected computer that only I have access. Data will be kept for a period of at least 5 years, as required by the university.

Contacts and Questions:

You may ask any questions you have now. On the other hand, if you have questions later, you may contact the researcher via francis.adebola-wilson@waldenu.edu or 770-xxx-xxxx. If you want to talk privately about your rights as a participant, you can call Dr. Leilani Endicott. She is the Walden University representative who can discuss this with you. Her phone number is 612-xxx-xxxx. Walden University's approval number for this study is **12-28-15-0352947** and it expires on **December 27, 2016**.

The researcher will give you a copy of this form to keep

Statement of Consent

I have read the above information and I feel I understand the study well enough to make a decision about my involvement. By signing below, replying to this email with the words, "I consent," I understand that I am agreeing to the terms described above.

Printed Name of Participant: _____

Date of consent: _____

Participant's Signature: _____

Researcher's Signature: _____

Appendix C: Library Director's Response

[Letterhead of Clayton County Library System]

Francis Adebola-Wilson
P. O. Box XXXX
Jonesboro, GA 30XXX

December 8, 2015

Dear Francis Adebola-Wilson,

Based on my review of your research proposal, I give permission for you to conduct the study entitled "Diversifying Funds to Enhance Financial Sustainability of a County Library" within Clayton County Library System, Jonesboro, GA. You may contact the undersigned, the assistant directors and branch managers of the library to participate in your study. Upon completion of your study, we expect that the results of the study will be disseminated to all the research participants via email.

We understand that our organization's responsibilities include providing our meeting rooms or any convenient location within the library premises for the conduct of the interview sessions for a period not more than sixty minutes. However, we reserve the right to withdraw from the study at any time if our circumstances change.

I confirm that I am authorized to approve research in this setting and that this plan complies with the organization's policies.

I understand that the data collected will remain entirely confidential and may not be provided to anyone outside of the student's supervising faculty/staff without permission from the Walden University IRB.

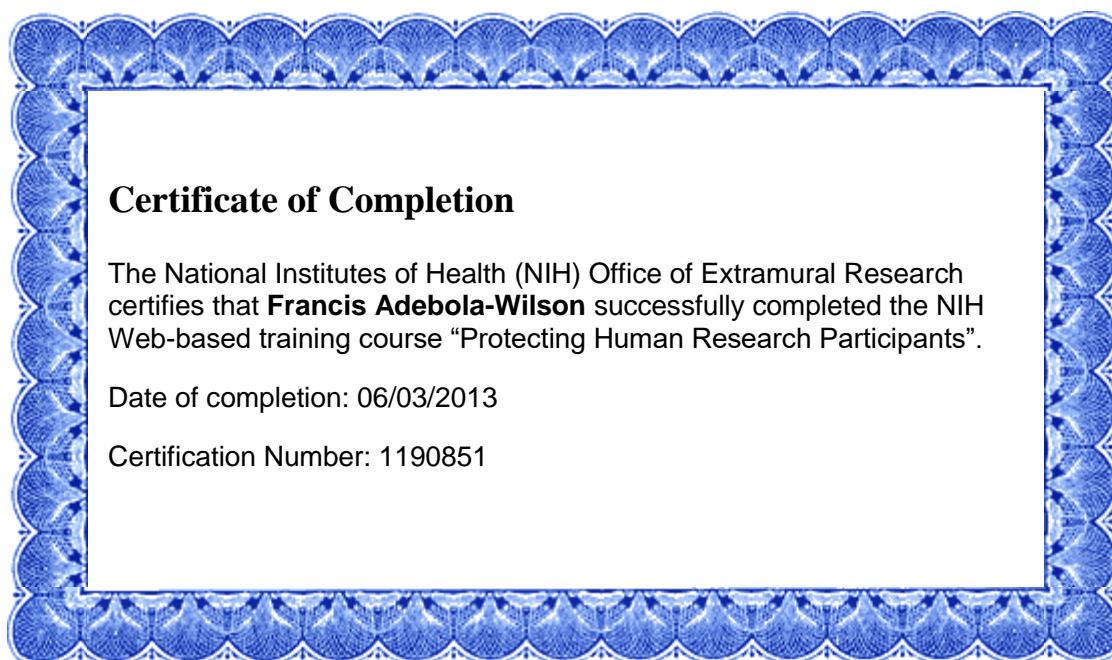
We look forward to working with you, and please consider this communication as our Letter of Cooperation.

Sincerely,

Ms. Library Director

Library Director

Appendix D: Certificate



Appendix E: Interview Questions

(For Library Directors, Assistant Library Directors, and Branch Managers)

PART I - Demographic Information

DQ 1: Please state your name for the record _____

DQ 2: What is your gender? _____

DQ 3: What is your age? _____

DQ 4: What is your highest educational qualification? _____

DQ 5: What is your position title? _____

PART II - Interview Questions

RQ 1: What financial challenges does CCLS encounter? Follow up: How does it affect CCLS' ability to ensure its programs are sustainable?

RQ 2: How have these challenges affected the library? Follow up: What are the types of operational decisions CCLS has had to make based on funding challenges? How do legal constraints affect CCLS' ability to address its fiscal challenges?

RQ 3: In what ways can leadership of Clayton County Library System diversify funding? Follow up: How does CCLS's staff learn about options to improve or diversify its funding? Are there forums or organizations in which CCLS can participate to discuss effective strategies with other libraries facing the same fiscal and operational issues?

RQ 4: What legal considerations does CCLS face in adopting a financial diversification strategy? Follow up: How does CCLS anticipate it will address these legal considerations?

Appendix F: Interview Questions for Grant Writers

PART I - Demographic Information

DQ 1: Please state your name: _____

DQ 2: What is your gender? _____

DQ 3: What is your age? _____

DQ 4: What is your highest educational achievement? _____

PART II - Interview Questions

Q 1: What are the structural implications of adopting a financial diversification strategy at CCLS? Follow up: How can the CCLS address its fiscal challenges during times of austerity?

Q 2: How can federal, state, or local legal restrictions impact the options of the CCLS to diversify its funding streams? Follow up: How can the CCLS prioritize its approaches to securing new lines of funding? What do you think sponsors are looking for when making decisions to fund public libraries such as the CCLS?

Q 3: What are the operational considerations for the adoption of a financial diversification strategy at the CCLS? Follow up: In what ways can leadership of the CCLS diversify funding?

Q 4: How do libraries, which have successfully adopted a diversification strategy and transitioned from nonprofit to for-profit status, address the change in operational models? Follow up: What funding opportunities are there for the CCLS?

Appendix G: Document Review Protocol

1. Determination of which types of documents would be the most valuable for the research question.

- Identification of the appropriate policy documents. This would vary by level of policy-making (federal, state and county, institutional, or professional body) and by type of policy. The range of policy types would be revealed in the spectrum of possible policy documents, which includes legislation, administrative/executive regulations or fund raising arrangements, guidelines/advice etc.
- Do the financial records and budgets of the organization adequately describe the library's resources? Can an examination of all financial documents help in uncovering its present dysfunctional financial position?
- Would it be advisable to look at every record, pamphlet, or newsletter issue? Or randomly select a number of documents from each month or each year? Would it be best to examine only the administrators' notes from the groups most involved in the issue at hand? Caution not to select in such a way as to skew research results.

2. Investigation of the consistency of content between the policy documents and the interview responses, taking account of the following issues:

- The amount of the policy that will be consistent with the interview;
- How much the policy document include the key issues covered by the research questions
- How far the policy document included the elements of research regarded as providing the strongest evidence

- How far the policy is consistent with research in terms of: the definition of the policy problem; definition of objectives; and the description of strategies and actions
 - How far elements of the policy contradicted the research evidence.
3. Identification of which items to be taken as indicators of the themes and questions explored.
 - Look for the exact or specific words or count when a statement refers to these ideas without using the words explicitly?
 4. Construct a set form or codebook to record the items being tracked.
 - Start with a list of the major themes recalled. Then as I read or listen, I will add to my list. Each time I encounter a reference to a given theme, I will note what was said, what kind of reference it was, when it occurred (date), in what context, and other information that may be relevant. The form may have a line for each occurrence, with columns for theme, date, type of reference, and the like.
 5. Compare the results for greater accuracy.
 - Cross check to see if I have interpreted certain statements or figures as another person would. Confirm if my criteria for coding and assigning a particular item to one category clear and well defined so others can duplicate my work. If there are differences, I may need to discuss and revise the criteria of my content analysis.

6. Finally, construct a table of results to summarize my findings.

- The goal will be to quantify, to count or give a number value, to the occurrences of various events, ideas, or themes related to my research interest.

Features that will be considered for each material are: Type of document (Newspapers, Memoranda, Financial Reports/Budgets, Textbook, Articles, etc., Unique physical qualities of the document, Date(s) of document, Author (or creator) of the document, Position (Title), Targeted audience, Document information etc.

Appendix H: CCLS Financial Statements

2014 Departmental Summary**Library System****Mission, Goals, Objectives, Performance Measurements and Budget**

Participation - Vacation Reading Program:	3,740	4,403	4,500	4,500
Clayton County Library Card Holders:	175,341	200,978	202,000	205,000

Clayton County Library System (General Fund)				
<u>Expenditures/Appropriations</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Unaudited</u>	<u>2014 Budget</u>
Personal Services	2,520,451	2,473,190	2,632,652	2,763,596
Operations	784,197	843,668	809,332	800,871
Total	3,304,648	3,316,858	3,441,985	3,564,467

Clayton County Library System (Other County Grants Fund)				
<u>Expenditures/Appropriations</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Unaudited</u>	<u>2014 Budget</u>
Operations	19,378	-	-	-
Capital Outlay	12,429	-	-	-
Operating Transfer Out	94,457	978,274	927,269	-
Total	126,264	978,274	927,269	-

Clayton County Library System (Reimposition SPLOST 2009 Fund)				
<u>Expenditures/Appropriations</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Unaudited</u>	<u>2014 Budget</u>
Operations	78,489	87,476	713,229	-
Capital Outlay	459,214	1,620,655	2,699,648	-
Total	537,703	1,708,131	3,412,877	-

2015 Departmental Summary

Clayton County, Georgia



Library System

General Fund

<u>Expenditures/Appropriations</u>	<u>2012 Actual</u>	<u>2013 Actual</u>	<u>2014 Unaudited</u>	<u>2015 Budget</u>
Personal Services	2,473,190	2,612,061	2,763,609	2,825,314
Operations	843,668	811,312	804,414	686,671
Total	3,316,858	3,423,373	3,568,023	3,511,985

Other County Grants Fund

<u>Expenditures/Appropriations</u>	<u>2012 Actual</u>	<u>2013 Actual</u>	<u>2014 Unaudited</u>	<u>2015 Budget</u>
Operations	-	-	-	-
Capital Outlay	-	-	-	-
Operating Transfer Out	978,274	927,269	-	-
Total	978,274	927,269	-	-

Reimposition SPLOST 2009 Fund

<u>Expenditures/Appropriations</u>	<u>2012 Actual</u>	<u>2013 Actual</u>	<u>2014 Unaudited</u>	<u>2015 Budget</u>
Operations	105,884	984,995	145,385	-
Capital Outlay	1,620,655	2,606,682	255,407	-
Total	1,726,539	3,591,677	400,792	-

2016 Departmental Summary

Clayton County, Georgia

Library System

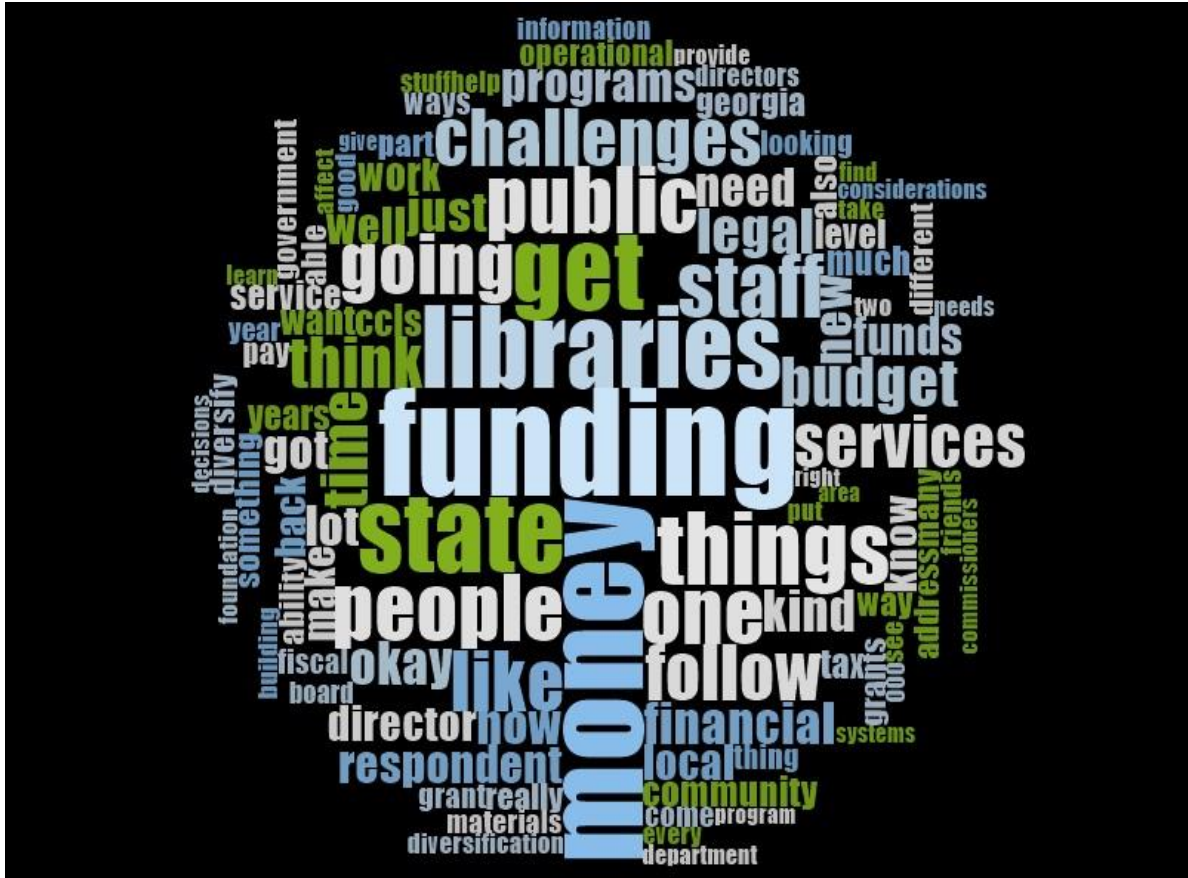


<u>Expenditures/Appropriations</u>	<u>General Fund</u>			
	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2015 Unaudited</u>	<u>2016 Budget</u>
Personal Services	2,612,061	2,464,011	2,825,314	2,926,614
Operations	811,317	788,344	697,605	766,671
Total	3,423,378	3,252,355	3,522,919	3,693,285

<u>Expenditures/Appropriations</u>	<u>Other County Grants Fund</u>			
	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2015 Unaudited</u>	<u>2016 Budget</u>
Operations	-	-	-	-
Capital Outlay	-	-	-	-
Operating Transfer Out	927,269	-	47,050	-
Total	927,269	-	47,050	-

<u>Expenditures/Appropriations</u>	<u>Reimposition SPLOST 2009 Fund</u>			
	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2015 Unaudited</u>	<u>2016 Budget</u>
Operations	984,995	9,985	124,093	-
Capital Outlay	2,606,682	93,144	267,668	-
Total	3,591,677	103,129	391,761	-

Appendix I: Word Count Frequency



Appendix J: Coding Matrices

List of Code Structures, Definitions and Observations

Code name	Definition	Observed in participant	Representational references
Financial challenges experienced by CCLS	Any financial explanation of activities, or experiences impacting the library's operation	F2, F3, F4, F5, F6, F7, F8, F9, F11, F12, F13, F14, M1, M2	Evaluating whether the research problem exists in the CCLS (RQ1, RQ2, & RQ3)
Financial diversification	Any description of interviewees' agreement, or contributions of the role of the library's to focus on diversification of funding sources	F1, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, F14, F15, M1, M2, M3	Understanding the potential for the adoption of a financial diversification strategy at the CCLS (Research aim)
Legal issues	Any legal description, or events, or activities participants understands impinging library's growth	F1, F3, F5, F6, F7, F8, F9, F10, F11, F12, F14, F15, M1, M2, M3	Investigating the legal ramifications of adopting a financial diversification strategy at the CCLS (RQ2, RQ4)
Operational practices	Any reference, or identification relating to the operational role of the library	F1, F2, F5, F6, F7, F8, F9, F10, F12, F13, F15, M1, M2, M3	Investigating the operational challenges/opportunities of adopting a financial diversification strategy at the CCLS (RQ2, RQ3 & RQ4)

Appendix K: Additional Figures

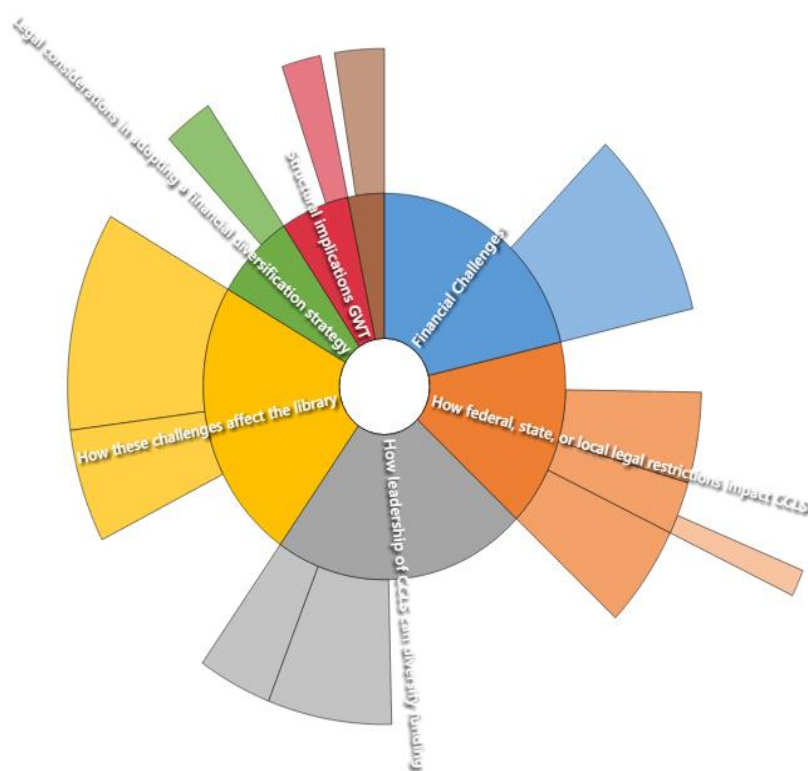


Figure K1. Nodes compared by number of coding references.

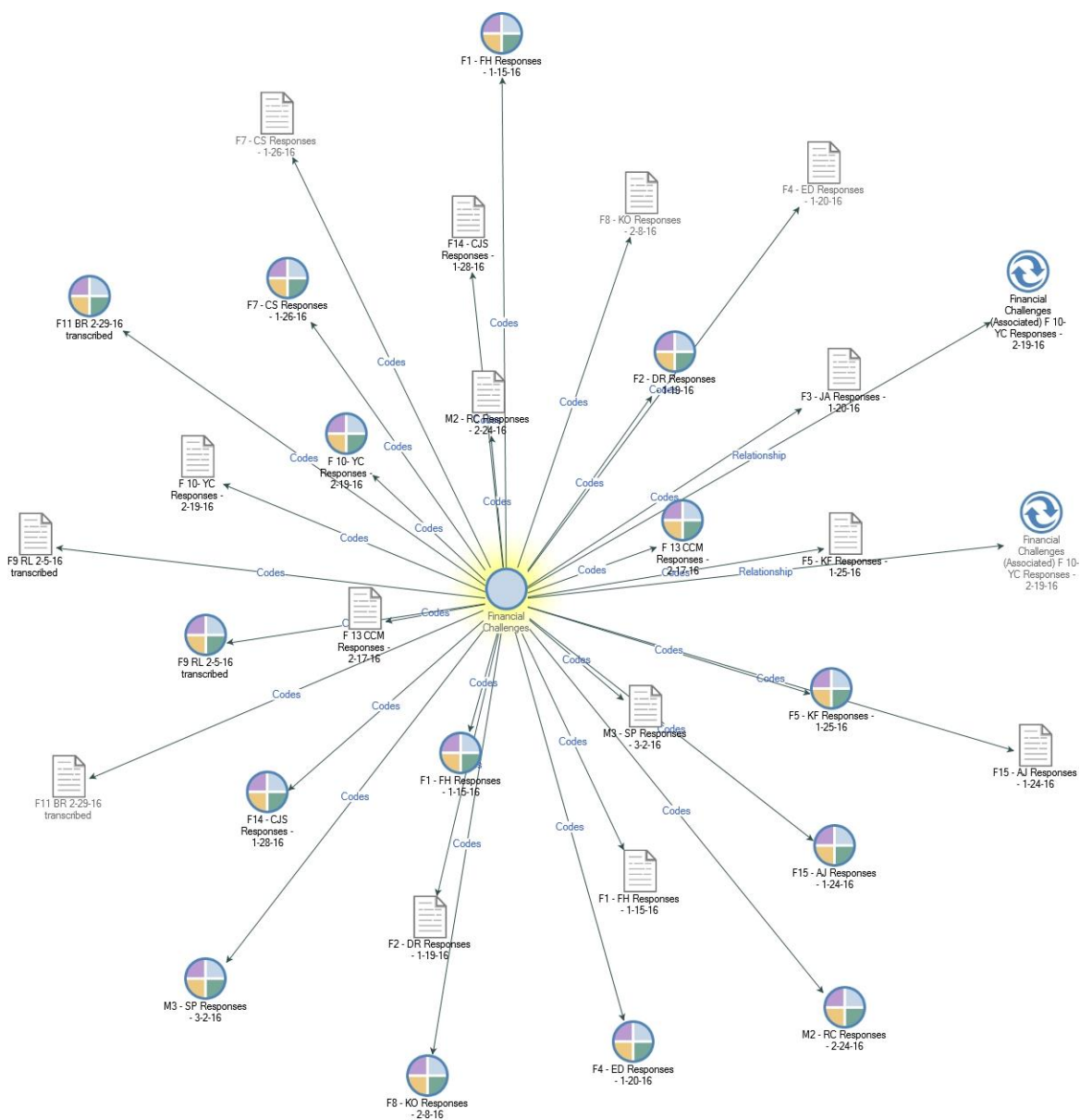


Figure K2. Relationships between codes and participants' comments on CCLS's financial challenges.

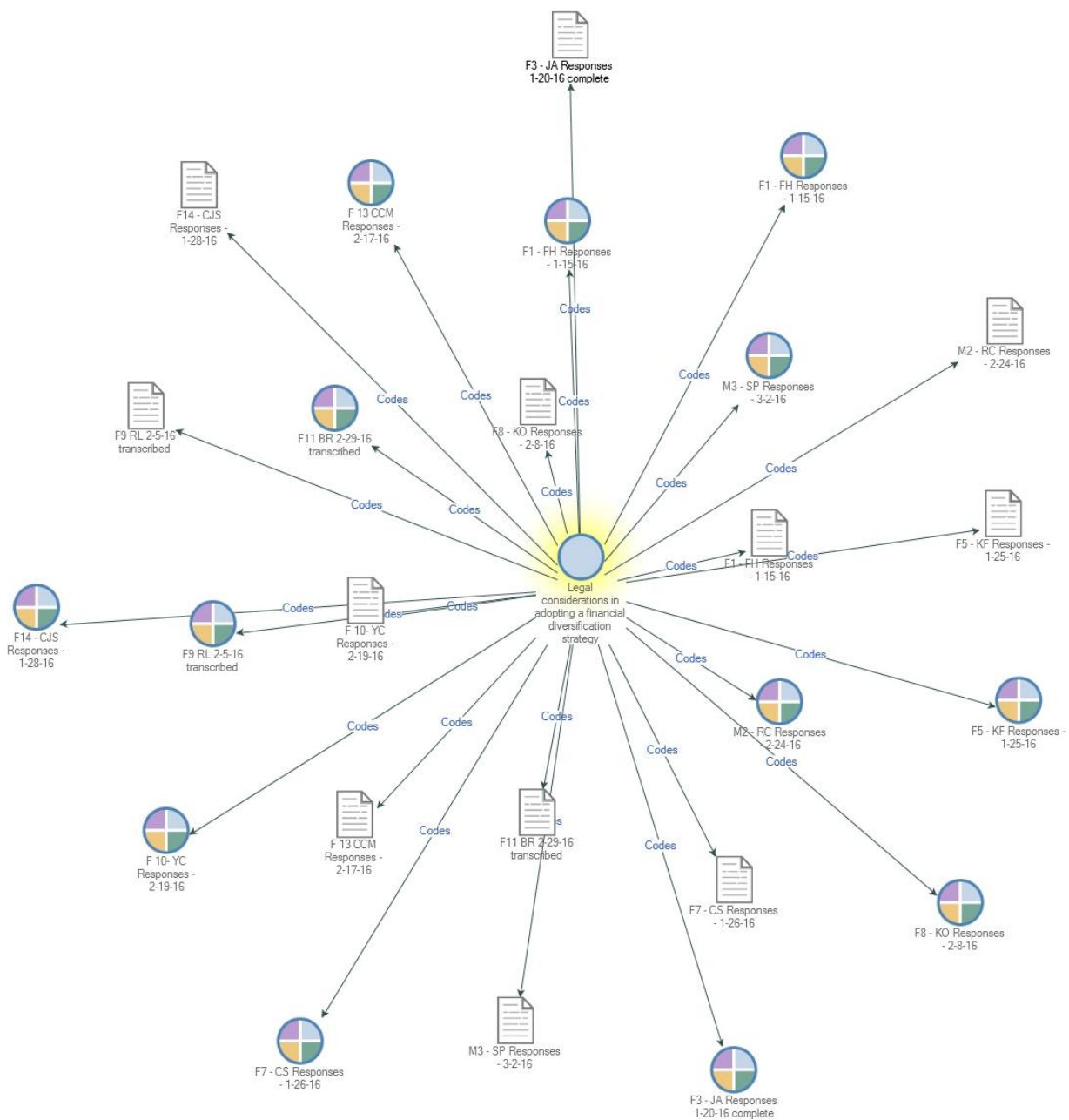


Figure K3. Relationships between codes and participants' comments on legal considerations.

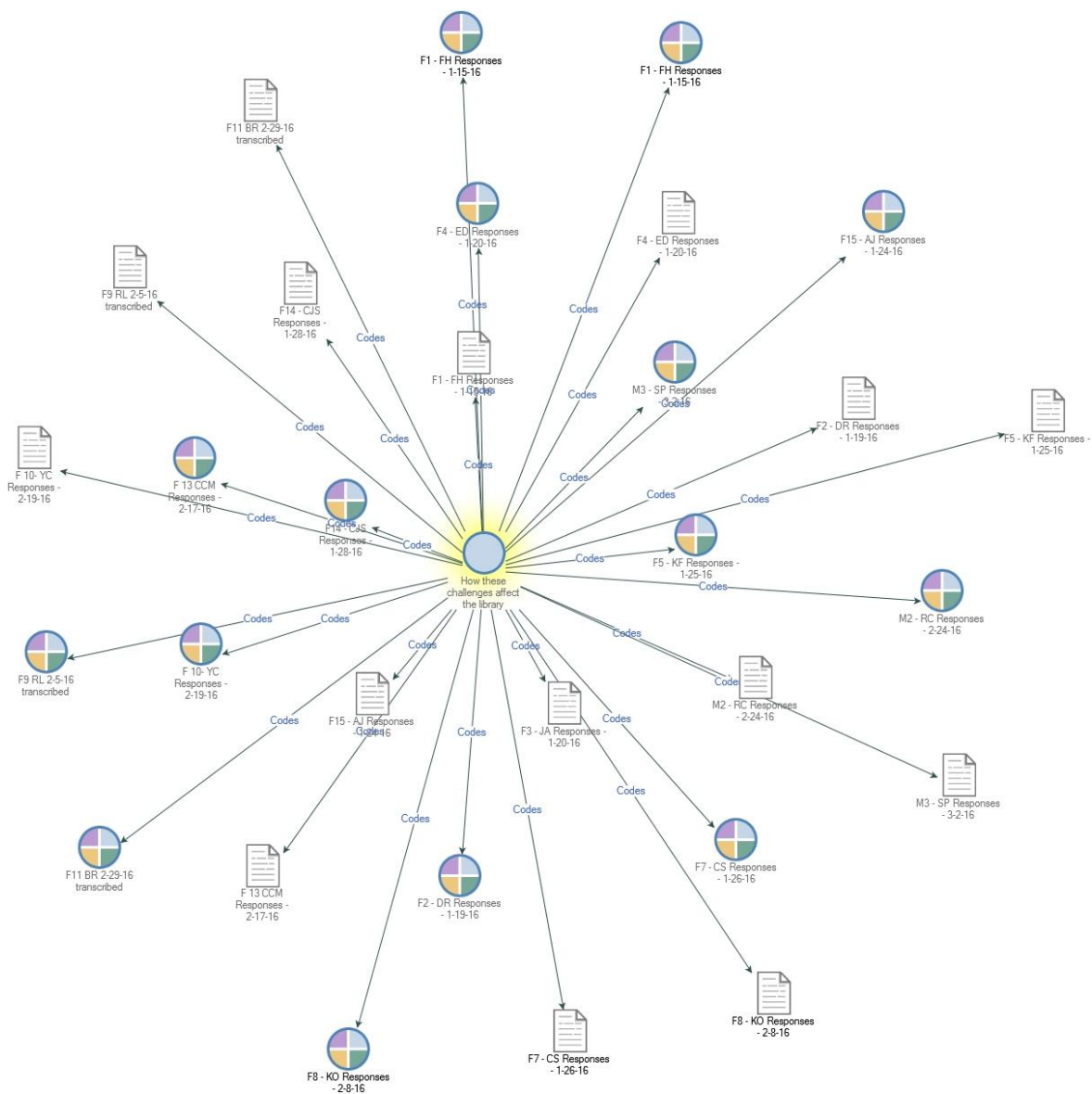


Figure K4. Relationships between codes and participants' comments on how financial challenges affect CCLS.

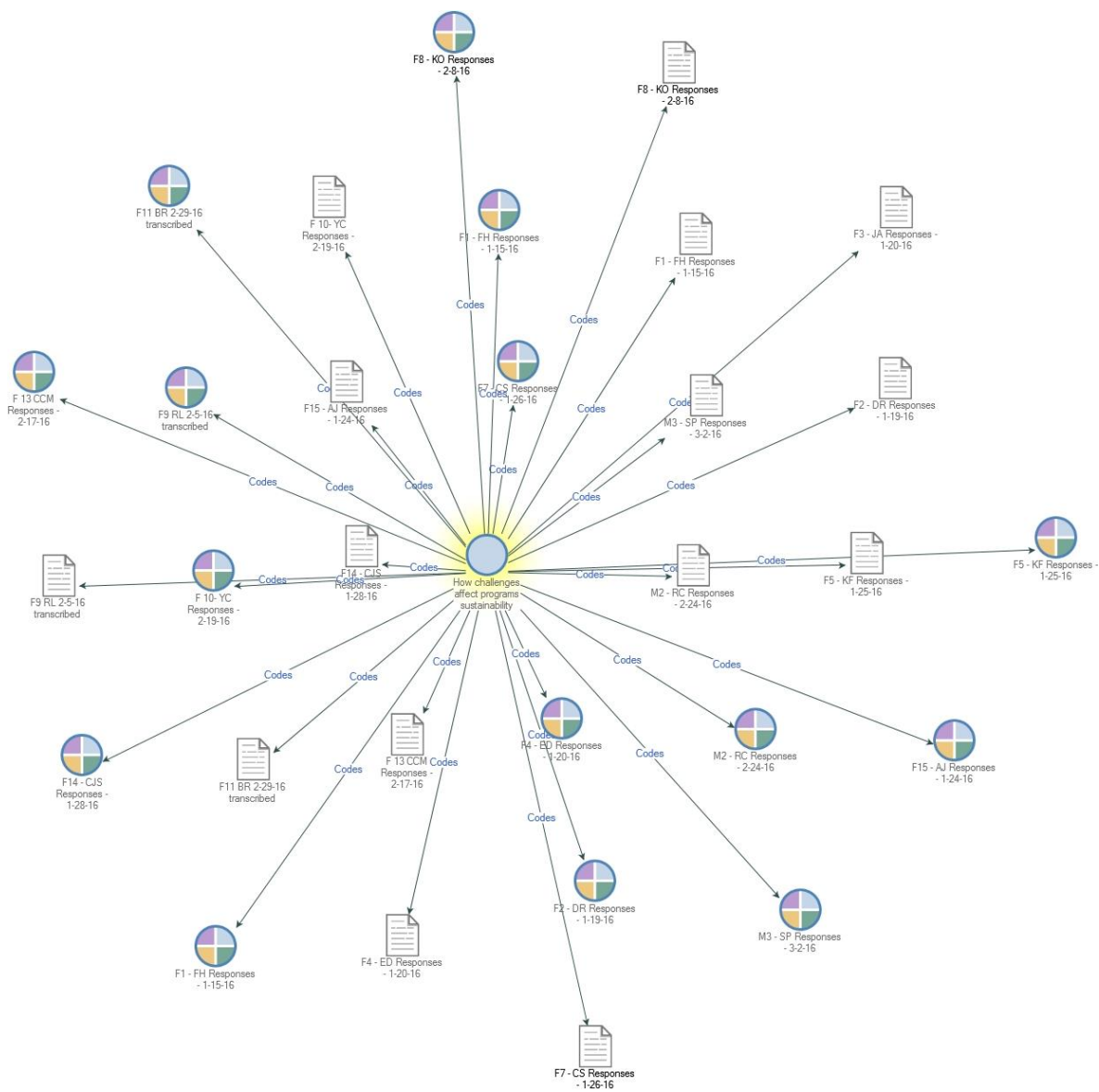


Figure K5. Relationships between codes and participants' comments on how financial challenges affect CCLS sustainability.