

Assessing an Organization's Virtuosity Using a Novel Virtuous Business Model-Based Scorecard

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How does an organization assess its virtuosity? This question became the catalyst for what was eventually developed and researched through the Applied Doctoral Project (ADP) and is abbreviated in this executive summary. The Virtuous Business Model (VBM) provides a theoretical framework for what makes a Virtuous Leader (VL) and what makes for a Virtuous Organization (VO; Brooker & Boyce, 2017).¹ In this context, virtuous is defined as a person of moral excellence (Brooker & Boyce, 2017). Virtuosity is a pursuit, rather than an achievement, by committing to cultivate virtues taught by Jesus of Nazareth (Brooker & Boyce, 2017). However, the problem is that an organization looking to operate using the VBM has no guide to assess the entity's virtuosity.

The Problem

The partner organization at the center of the ADP values a balanced approach² and sought to operate their business as a virtuous organization which, per the VO model, requires them to consider the economic, social, and spiritual impact on stakeholders and the community. The problem was that no known methodology existed to measure the impact of economic capital, social capital, and spiritual capital in one organizational scorecard or assessment.

Driving Research Question

The partner organization values a balanced approach to doing business and seeks to identify their organizational virtue by creating a novel, robust, and multivariate organizational scorecard. Therefore, the central question to be addressed became the following:

How can the partner organization evaluate their organizational virtue, and what elements need to be included in a heuristic for measuring this at the partner organization so that their approach to doing business becomes more balanced and virtuous by 2023?

Guiding Research Questions

Developing research questions to support the exploration of the driving research question more deeply was part of the ADP process. These additional inquiries are guiding research questions. Six questions were selected to keep the ADP within the project's scope:

1. What is the history and value of scorecards, and why are they important?

¹ Refer to "The DeVoe Report Conversations" article featuring Dr. Mark Brooker in the Spring/Summer 2018 edition of *The DeVoe Report* for details on the components of this model: https://www.indwes.edu/academics/caps/devoe-school-of-business/the-devoe-report/archive/dsb_2240_the-devoe-report_spring_summer-2018_web.pdf

² A *balanced approach* to doing business came to mean doing business in a way that aligns with the VBM following several discussions throughout the project with the partner organization's leadership team.

2. What is virtue theory, what definition of virtue will be used for this project, and what other theories or models exist that include "virtue" as a central component?
3. How does awareness of scorecard measurements affect their implementation and help support the balanced approach to doing business that the partner organization seeks?
4. What tools exist for measuring the economic capital of an organization?
5. How is social capital measured, and what current measurement systems exist?
6. How is spiritual capital measured, and what evaluation tools and systems exist?

Literature Review

A literature review was conducted to answer the guiding research questions. More than 300 sources were examined, and several scorecards, heuristics, and measuring tools for individual values of a virtuous organization were located. Still, the multidisciplinary search of secondary literature did not yield a solution to the partner organization's problem. Additional research was required.

Methodology

A qualitative research methodology was chosen to support the development of the solution to the driving research question. The primary driver for choosing a qualitative research design approach is that it answers the questions of how and why as part of its process (Mukhopadhyay & Gupta, 2014). A survey was developed to include 36 questions plus six pre- and post-survey questions. Surveys were sent through JotForm.com to a total of 147 participants, including 82 students and 65 faculty and staff.

The participants in the study were final-year doctoral students in the Doctor of Business Administration (DBA) program at Indiana Wesleyan University (IWU) and current IWU DBA faculty, staff, and research chairs. Student participants included enrollees in DBA cohort one, cohort two, and those in the completion program (doctoral student transferees from other university programs). The faculty and staff included employees and adjunct members of the DBA faculty and staff, as well as the research chairs assigned to the DBA students in all three cohorts.

Analysis

Thirty-three surveys were completed, producing more than 1,200 data points for review. Results were exported into Microsoft Excel files. The thematic analysis provided the first-of-its-kind stakeholder definition, KPI and measuring tools, and organization exemplars for each of the nine Virtuous Organization values. Careful consideration was given to the partner organization's interest in having a heuristic to support their ability to hold people and the organization accountable. The literature review and research study provided methods and alternatives to measure the values of the VO, but it did not provide a solution on how all of the information can be combined into a useable tool.

Recommended Solution

The recommended solution for the partner organization was the Virtuous Organization Scorecard (VOSC; Figure 1). The VOSC combines several elements from the literature review, the research study, and input from the partner organization. Some of the combined ideas include the Balanced Scorecard model developed by Kaplan and Norton (1992), the VBM (Brooker & Boyce, 2017), the Universal Design for Learning Guidelines (CAST, 2018), the survey and analysis data from this Applied Doctoral Project, and input from the partner organization's leadership team.

The VOSC is operationalized by reviewing the definitions of a VO value and then choosing a way to measure each of the questions in the horizontal headings. Figure 2 provides an example of implementation with the value *principled*.

Figure 1

The Virtuous Organization Scorecard

	How do customers see us?	How do employees see us?	How does our community see us?	How do our shareholders see us?	Can we continue to improve and create value?	Exemplar (Organization/ Person/Character)	Antithesis (Organization/ Person/Character)
Economic Capital							
Principled							
Proficient							
Profound							
Social Capital							
Sincerity							
Supportive							
Service							
Spiritual Capital							
Centered							
Creative							
Compassionate							

Note. The Virtuous Organization Scorecard is a composite of the Balanced Scorecard (Kaplan and Norton, 1992), the VBM (Brooker & Boyce, 2017), the Universal Design for Learning Guidelines (CAST, 2018), and the research from this ADP.

Figure 2

The Virtuous Organization Scorecard Example for the Value Principled

	How do customers see us?	How do employees see us?	How does our community see us?	How do our shareholders see us?	Can we continue to improve and create value?	Exemplar (Organization/ Person/Character)	Antithesis (Organization/ Person/Character)
Economic Capital							
Principled	Customer satisfaction survey	Employee turnover rate	Are we ranked in our industry magazine best of list?	Is a percentage of revenue still being donated to charity each month?	Put processes in place to make sure values are aligned in all decision making.	Chick-fil-A	Stratton Oakmont

Change Management Plan

The outcome of the study was the development of a change management plan for the partner organization to implement the Virtuous Organization Scorecard. The 24-month implementation plan detailed how the organization could operationalize the VOSC and support long-term user adoption by the staff and team.

Conclusion

The Virtuous Organization Scorecard provides a tool for the partner organization to measure a balanced approach to doing business. The change management plan presented a step-by-step recommendation for the partner organization to implement the VOSC into their business operations. The broader applications of the VOSC appear to extend to the wider business community. Future research is needed on the VBM—the individual values and the model in its entirety—as well as its real-world application. The intention of this ADP was to solve one organization’s problem and, in doing so, the creation of a broadly applicable business heuristic may prove to be a catalyst for new research on the Virtuous Business Model.

References

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