The Business of Values and Value of Business

The role of organisational values in the recruitment and selection of nonprofit community service managers and executives

By

Jennifer Green

School of Management
Faculty of Business
University of Technology, Sydney
Australia

2009

Thesis submitted for the fulfilment of the degree of
Doctor of Philosophy
CERTIFICATE OF AUTHORSHIP/ORIGINALITY

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

Signature of Candidate

Jennifer Green
ACKNOWLEDGEMENTS

When contemplating a PhD many told me it would be a long and solitary pursuit. Now, at the end, I can report it has been long but never solitary. I have had the good fortune to be supported by many and I take enormous pleasure in thanking them.

It is important, first, to acknowledge the support of the School of Management in the Faculty of Business at UTS. I value its commitment to research and scholarship that fosters a culture of critical questioning.

I thank the interview participants who gave their time and thoughts generously for no immediate return. Their experiences and insights helped shape the direction of my thinking and their preparedness to participate encouraged and sustained me. I also thank the many workers in the nonprofit sector that completed the questionnaire. The triangulation in this study would not have been possible without them.

Professor Jenny Onyx was, by any measure, extraordinary. As my supervisor she was always available, enthusiastic, insightful, resourceful and honest. As my colleague she was understanding, caring, firm when required and wise. Whilst this is my work, flaws and all, the achievement of completion is shared with her.

Anne Ross-Smith, my co-supervisor was constantly encouraging and ready with practical advice. Particular thanks to Paul Bullen, the Yoda of statistics, who guided me with infinite knowledge, patience, creativity and enthusiasm. Thanks to Anne Cullinan and Renee Fittler who shifted roles seamlessly from editor to completion coach to friend when needed. You both got me across the line. Bronwen Dalton, my buddy and colleague, was always there picking up things I dropped, sending me this and that and giving me a space to think, talk and write. I couldn’t have done this with such focus without her.

There was considerable data entry and content analysis in the questionnaires and recruitment advertisements. I was helped with this by a team of impressive women who
were prepared to go the extra lengths to get it right: my thanks to Avril Baird, Lee Wilson, Catherine Forman and Helen Besier.

Paul Gearin, Deborah Trevan-Catling, Rosemary Kayess, Jane Mears, Lynne Davis and Patrick Healy participated in endless conversations about direction, process and problems. They were all available whenever I needed an informed and independent view.

There are many friends near and far who have contributed thoughts, experiences, technical expertise, encouragement and a belief in my ability to complete: I thank you all. I had a real feeling of ‘Team Green’ behind me, and I never underestimated its importance as a propellant.

My family requires particular acknowledgement and thanks. Ken and Geoff offered the fruits of their experience having travelled down the PhD road before me. Richard and Rachel put my trials and tribulations into perspective. Liz was ever ready with her calculator. Vic introduced me to John Rawls and distributive justice – a turning point. Fay cast her educated eye over everything and Don, a domestic god, kept the house running at times of intense work. Finally I thank Evie: she’s lived through every moment with patience and good grace. If ever I am needed, may I do the same for her.

Jennifer Green
Contents

List of figures ........................................................................................................................... viii
List of tables ............................................................................................................................. viii
Abstract ................................................................................................................................... xi

Chapter 1: Introduction ................................................................................................. 1
  1.1 In the beginning ........................................................................................................ 1
  1.2 The research problem and questions ..................................................................... 3
    1.2.1 Research questions ....................................................................................... 4
  1.3 The research approach .......................................................................................... 6
    1.3.1 Literature sources .......................................................................................... 6
    1.3.2 Methodology .................................................................................................... 6
  1.4 Outline of the thesis ............................................................................................... 9

Chapter 2: Nonprofit community services ............................................................... 11
  2.1 Introduction: Nonprofit community services .................................................... 11
    2.1.1 Definitions and relationships ...................................................................... 11
    2.1.2 History of community services ................................................................... 15
  2.2 Social policy and government provision ............................................................ 19
    2.2.1 History of social policy and government provision ..................................... 19
    2.2.2 Social democracy ......................................................................................... 23
    2.2.3 Neo-liberalism ............................................................................................. 24
    2.2.4 Economic rationalism .................................................................................. 26
    2.2.5 Public choice theory ................................................................................... 28
    2.2.6 Transaction cost theory ............................................................................... 30
    2.2.7 Principal-agent theory ................................................................................ 31
    2.2.8 Purchaser-provider split .............................................................................. 32
    2.2.9 Partnerships and the ‘third way’ ................................................................. 34
    2.2.10 Corporate philanthropy .............................................................................. 36
    2.2.11 Government funding of community services ............................................. 38
    2.2.12 Language and discourse ............................................................................ 43
  2.3 Government and community values ...................................................................... 45
  2.4 Values tension .......................................................................................................... 48

Chapter 3: Values .......................................................................................................... 50
  3.1 Introduction ............................................................................................................ 50
  3.2 Individual values .................................................................................................... 53
  3.3 The study of organisational values ......................................................................... 55
    3.3.1 Psychological theory of organisational values ............................................ 55
    3.3.2 Sociological theory of organisational values .............................................. 58
    3.3.3 Political philosophical theory of values ...................................................... 60
  3.4 Organisational values: for-profit, nonprofit and government organisations ...... 65
    3.4.1 Government values ...................................................................................... 66
    3.4.2 The for-profit sector values ......................................................................... 67
    3.4.3 The nonprofit sector values ......................................................................... 70
3.5 Organisational values and human resource management strategies in nonprofit community services ................................................................. 74

Chapter 4: Careers ................................................................................................. 77
4.1 Introduction ........................................................................................................ 77
4.2 Individual focus ............................................................................................... 78
4.3 Organisational focus ....................................................................................... 85
4.4 Nonprofit careers ............................................................................................ 92
  4.4.1 Nonprofit CEOs ....................................................................................... 93
  4.4.2 Cross-sectoral comparisons ....................................................................... 97
  4.4.3 Changing nonprofit employment context ............................................... 99
  4.4.4 Career paths ............................................................................................. 101
4.5 Recruitment practices .................................................................................... 103
  4.5.1 Recruitment and nonprofit organisations .............................................. 103
4.5.2 Advertising ............................................................................................... 104
4.6 Summary ......................................................................................................... 106

Chapter 5: Methodology ........................................................................................ 107
5.1 Introduction ..................................................................................................... 107
5.2 Research questions ......................................................................................... 109
5.3 Grounded theory ............................................................................................ 110
5.4 The research situation ................................................................................... 111
5.5 Unit of study .................................................................................................. 112
5.6 Epistemological position ............................................................................... 113
  5.6.1 Social constructivism ............................................................................... 113
  5.6.2 The researcher ......................................................................................... 116
5.7 Methodological strategies ............................................................................. 118
  5.7.1 Triangulation ............................................................................................ 118
  5.7.2 Research one: content analysis of press recruitment advertisements .... 119
  5.7.3 Research two: in-depth interviews .......................................................... 120
  5.7.4 Research three: questionnaire on the nonprofit sector ......................... 123
5.8 Ethical considerations .................................................................................... 126
  5.8.1 Interviews ............................................................................................... 126
  5.8.2 Questionnaires ....................................................................................... 127
  5.8.3 Deception ............................................................................................... 127
5.9 Limitations of the study method .................................................................... 128

Chapter 6: Recruitment Advertising ................................................................... 129
6.1 Introduction ..................................................................................................... 129
6.2 Methodology .................................................................................................. 132
6.3 Results ............................................................................................................ 134
  6.3.1 Jobs and organisations ........................................................................... 134
  6.3.2 The ideal candidate ................................................................................ 147
  6.3.3 Imaging the sector .................................................................................. 153
6.4 Changes over time in the dependent variables ........................................... 162
  6.4.1 The best models ..................................................................................... 163
6.5 Discussion ....................................................................................................... 174

Chapter 7: Values and CEO Selection ................................................................. 178
7.1 Introduction ..................................................................................................... 178
  7.1.1 Rationale ................................................................................................ 179
7.1.2 Methodology ........................................................................................................ 180
7.2 Analysis ....................................................................................................................... 183
  7.2.1 Distinguishing characteristics ................................................................ .... 183
  7.2.2 Boards and management committees .............................................................. 204
  7.2.3 CEO values alignment with the organisation .................................................. 210
  7.2.4 Organisational values ....................................................................................... 213
  7.2.5 Tension between government social justice policies and neo-liberal economic policies ................................................................. 229
  7.2.6 Competition for government funds and donor dollars in the sector ............... 235
  7.2.7 Government requirements .............................................................................. 237
  7.2.8 Summary ........................................................................................................... 239
  7.2.9 Career paths ...................................................................................................... 240
7.3 Conclusion .................................................................................................................. 248

Chapter 8: The views of committed workers .................................................................. 251
  8.1 Introduction .............................................................................................................. 251
  8.2 Method ..................................................................................................................... 254
  8.3 Demographics ....................................................................................................... 256
  8.4 Question by question response distributions ...................................................... 260
  8.5 Underlying structure: factor analysis ................................................................... 269
     8.5.1 Career motivators ......................................................................................... 271
     8.5.2 Organisational values ................................................................................. 273
     8.5.3 Organisational management .......................................................... 275
  8.6 Difference between respondents: analysis of variance ....................................... 282
  8.7 Clusters of respondents: k-means clustering ......................................................... 289
     8.7.1 Cluster profiles and individuals ................................................................. 291
  8.8 Discussion ................................................................................................................ 295

Chapter 9: Discussion ..................................................................................................... 299
  9.1 Organisational values currently operating in nonprofit community services .. 299
  9.2 The inclusion or otherwise of the organisation’s values in the recruitment and appointment process for managers and CEOs ......................................................... 308
  9.3 The messages that recruitment and appointment processes send about organisational priorities and position requirements ............................................................... 315
  9.4 The relevance of organisational values in the choice to work in nonprofit community services ............................................................... 317
  9.5 Revisiting the contextual framework ................................................................. 322
  9.6 Directions for further research ............................................................................. 329
References ..................................................................................................................... 334
Appendix 1 ................................................................................................................... 396
Appendix 2 ................................................................................................................... 398
Appendix 3 ................................................................................................................... 400
Appendix 4 ................................................................................................................... 402
Appendix 5 ................................................................................................................... 407
Appendix 6 ................................................................................................................... 416
Appendix 7 ................................................................................................................... 418
List of figures

Figure 2.1: Four societal sectors addressing social issues (Billis, 1993) ......................... 12
Figure 2.2: Values and performance in nonprofit organisations (Fumkin & Andre-Clark, 2000, p. 160) ..................................................................................................................... 42
Figure 3.1: Contextual framework for considering the impact of incommensurable values on the HR policies in nonprofit community service organisations ......................... 75
Figure 4.1: Heuristic model of employability (Fugate, Kinicki & Ashforth, 2003) ........ 83
Figure 6.1: The frequency of advertisements by industries 1–6 by year ..................... 136
Figure 6.2: The frequency of advertisements by industries 7–12 by year ................... 138
Figure 6.3: The frequency of advertisements by region from 2002–08 .................... 140
Figure 6.4: The frequency of advertisements by organisational size, 2002–08 ....... 141
Figure 6.5: The frequency of advertisements by position level, 2002–08 ............. 143
Figure 6.6: The frequency of advertisements by the locus of responsibility for the recruitment process, 2002–08 .......................................................... 145
Figure 6.7: The predicted and actual numbers of advertisements that identified the organisation as religious over the seven year period ........................................ 166
Figure 6.8: The predicted and actual numbers of advertisements that requested industry qualifications over the seven year period ........................................ 167
Figure 6.9: The predicted and actual numbers of advertisements that requested sector experience over the seven year period ..................................................... 169
Figure 6.10: The predicted and actual numbers of advertisements that requested industry experience over the seven year period ........................................ 171
Figure 6.11: The predicted and actual numbers of advertisements that requested business experience over the seven year period ........................................ 172
Figure 8.1 Cluster means across the four variables/dimensions ............................. 290

List of tables

Table 2.1: The welfare state and the post-welfare state .............................................. 22
Table 3.1: Judaeo-Christian values and disvalues (Chakroborty, 1995, 1998) .............. 51
Table 3.2: Schein’s Levels of Culture (Schein, 1990, p. 112) .................................... 56
Table 3.3: The formal differences between government, for-profit business and nonprofit community services sectors Adapted from Kramer (1990) ......................... 65
Table 3.4: Neo-liberal and Social Democratic approaches to community services .......... 71
Table 3.5: Economic imperatives, options and values that influence strategic direction in a nonprofit community service ......................................................... 73
Table 4.1: Late twentieth century trends and their effects on careers (Inkson, 2007, p. 7) ........................................................................................................ 87
Table 6.1: Variables identified in the content analysis ............................................. 132
Table 6.2: Distribution of advertisements by service type ...................................... 135
Table 6.3: Distribution of advertisements by location ............................................. 139
Table 6.4: Distribution of advertisements by organisational size ............................ 141
Table 6.5: Distribution of advertisements by position level ................................. 142
Table 6.6: Distribution of advertisements by the locus of responsibility for the recruitment process......................................................................................................... 144
Table 6.7: The frequency of religious organisations in the different organisational size groups.............................................................................................................................. 146
Table 6.8: Chi-square of organisational size and religious identification ........................................................................................................................................................................ 146
Table 6.9: Distribution of advertisements by qualifications and experience ........................................................................................................................................................................ 147
Table 6.10: Chi-square of industry and industry qualifications .................................................................................................................................................................................... 148
Table 6.11: Qualifications and experience requested by position levels ............................................................................................................................................................................. 149
Table 6.12: Chi-square of position levels and sector experience .................................................................................................................................................................................... 150
Table 6.13: Chi-square test for the business experience and recruitment responsibility ........................................................................................................................................................................... 152
Table 6.14: Examples of nonprofit mission statements/core purposes from the advertisements ........................................................................................................................................................................... 153
Table 6.15: Examples of core values from the advertisements .................................................................................................................................................................................... 154
Table 6.16: Frequency of mission and values included in advertisements ............................................................................................................................................................................. 155
Table 6.17: Chi-square test for the presence of values in advertisements of different sized organisations ........................................................................................................................................................................................................................................... 156
Table 6.18: Chi-square test for the presence of values in advertisements of different sized organisations ........................................................................................................................................................................... 157
Table 6.19: Language categories from the advertisements .................................................................................................................................................................................... 159
Table 6.20: Predominant language used in advertisements .................................................................................................................................................................................... 159
Table 6.21: Chi-square test of dominant language and organisational size .................................................................................................................................................................................... 160
Table 6.22: Chi-square test of dominant language and position level .................................................................................................................................................................................... 161
Table 6.23: Prediction of dependent variables when independent variables are known ........................................................................................................................................................................... 164
Table 7.1: Group 1 members .......................................................................................... 185
Table 7.2: Group 2 members .......................................................................................... 193
Table 7.3: Group 3 members .......................................................................................... 198
Table 8.1: Percentage of respondents by age groups .................................................................................................................................................................................... 257
Table 8.2: Percentage of respondents at different position levels .................................................................................................................................................................................... 257
Table 8.3: Experience in the different sectors ........................................................................................................................................................................................................................................... 258
Table 8.4: Reasons for taking current position ........................................................................................................................................................................................................................................................................................................... 259
Table 8.5: Preference for government experience over for-profit business experience ........................................................................................................................................................................................................................................................................................................................................................................... 260
Table 8.6: Preference for government experience and/or for-profit business experience over nonprofit experience ........................................................................................................................................................................................................................................................................................................................................................................... 261
Table 8.7: Preference for nonprofit experience over government and/or for-profit business experience ........................................................................................................................................................................................................................................................................................................................................................................... 262
Table 8.8: Preferences in senior management appointments in the nonprofit sector ........................................................................................................................................................................................................................................................................................................................................................................... 263
Table 8.9: Priorities between government funders and the organisation’s mission, values, members, service users, volunteers and donors ........................................................................................................................................................................................................................................................................................................................................................................... 264
Table 8.10: Organisational values: their presence and enactment ........................................................................................................................................................................................................................................................................................................................................................................... 266
Table 8.11: Attitude to management appointments in the nonprofit sector ........................................................................................................................................................................................................................................................................................................................................................................... 267
Table 8.12: Career motivator factors ........................................................................................................................................................................................................................................................................................................................................................................... 272
Table 8.13: Knowledge of organisational values and their role ........................................................................................................................................................................................................................................................................................................................................................................... 274
Table 8.14: Approaches to organisational management ........................................................................................................................................................................................................................................................................................................................................................................... 279
Table 8.15: Significant differences between demographic variables and the nine factors ........................................................................................................................................................................................................................................................................................................................................................................... 283
Table 8.16: Average factor score for each age group with a significant p value ............ 284
Table 8.17: Average factor score for males and females with a significant $p$ value ...... 285
Table 8.18: Average factor score for position with a significant $p$ value .................. 286
Table 8.19: Average factor score for organisational size with a significant $p$ value.....287
Table 8.20: Average factor score for length of service with a significant $p$ value.......288
Table 8.21: Cluster frequencies.................................................................................289
Abstract

Nonprofit community service organisations have operated in Australia as values-based, mission-driven social services since colonisation. By the 1990s, the effects of neo-liberal government policies such as greater emphasis on competition for funds; outputs-based contracts; and enforcement of more stringent accountability and compliance regimes, had started to significantly impact their operations. In this context one of the changes identified in the media of the time was the increasing appointment of ex-senior public servants and ex-corporate business managers to management and CEO positions in nonprofit organisations. The suggestion was that the sector needed to look beyond its own workforce for superior financial and organisational management skills. In the light of the emerging recruitment trend reported in the media, this thesis identifies and analyses the role of organisational values in the recruitment and selection of managers and executives in nonprofit community service organisations.

The study draws on the interdisciplinary sources of research and scholarship that focus on three themes: nonprofit organisations, values and careers. The methodology is developed from social constructivism and grounded research theory and involves analysis of the following three datasets.

1. A content analysis of 700 recruitment advertisements for nonprofit community service managers from 2002–08. One hundred advertisements were randomly selected from *The Sydney Morning Herald* for each year. SPSS, Statistica and Excel were used to analyse the multivariate data. A qualitative approach was also employed to see what other themes emerged from the content analysis.

2. An analysis of 22 in-depth interviews of newly appointed CEOs and the Chairs of their selection panels completed between 2005 and 2007. Organisations were selected in a purposeful sampling process based on organisational size, service type, location and the recent appointment of the CEO. The interviews were analysed using the computer-assisted qualitative data analysis software NVivo. The coding was fluid, with constant review and revision including recursive data collection and analysis.
3. An analysis of 212 questionnaires completed by ‘committed’ nonprofit workers between 2006 and 2008. Commitment was determined by voluntary involvement in learning activities specific to the sector and community services. Statistica and SPSS were used to analyse the multivariate data which included descriptive data, factor analysis, analysis of variance and $k$-means clustering.

The analyses identified that nonprofit organisations were not operating from one set of social justice values. They were operating, all the time, from two sets of values: the espoused social justice organisational values and a set of economic values. However, whilst the economic values were enacted by individuals in the organisations, they were not espoused by the organisations. Nonetheless, the operating context was value plural and as such had the potential for values incommensurability which was not recognised and for which there were no procedures.

The study also revealed that the career paths of nonprofit workers crossed boundaries of government, for-profit and nonprofit sectors. Moreover, experience in other sectors was actively sought by nonprofit organisations recruiting managers, particularly senior managers. Nevertheless, CEOs with no nonprofit experience had an incomplete skill set and faced significant cultural and operational barriers that in some cases limited their success and tenure.

Finally, the study found that governments’ competitive tendering and contractualist funding agreements were encouraging a business model of operating in nonprofit community services and the adoption of for-profit business language. This highlights the need for a sector-specific discourse that combines social justice goals and efficient and effective nonprofit financial and organisational management.
Chapter 1: Introduction

‘All our knowledge has its origins in our perceptions.’

Leonardo da Vinci, 1452–1519, Draftsman, Painter, Sculptor, Architect and Engineer

1.1 In the beginning

The researcher is an academic at the University of Technology Sydney, where she has been teaching and researching in nonprofit management for over a decade. The teaching program is postgraduate; consequently the majority of the students are committed to careers in the sector.

Around ten years ago the researcher noticed that the increasing pressures placed on nonprofit community services as a result of the neo-liberal funding policies of the Federal and State Governments, were beginning to show. These policies and the resultant funding context for community services, appeared to encourage organisations to adopt a ‘business’ approach to service delivery. The boundaries between the nonprofit and for-profit sectors were beginning to blur.

She also began to notice what appeared to be a trend to appoint ex senior public servants and ex for-profit senior managers to CEO positions in nonprofit community services. The rationale appeared to be that senior public servants had valuable contacts and the ear of government, whilst for-profit senior managers had superior financial and organisational management skills. Media articles of the day supported this apparent trend. For example, in 2002 according to both radio and newspaper reports, Queensland’s Boys Town appointed a new CEO with a salary package that included a quarter of a million dollar
wage and an $840,000 luxury home (Mathewson, 2002). The new CEO had an impressive work history in business and government endeavours but little experience in the community sector. In the same year, an article in the careers section of the *Sydney Morning Herald* described senior executive movement between the sectors including from for-profit to nonprofit (Vincent, 2002). Professor Myles McGregor-Lowndes, the Director of Queensland University of Technology’s Centre for Philanthropy and Non-Profit Studies was quoted in the article as saying, ‘charities that did not recruit top business managers were a recipe for disaster’.

There were a number of questions about this apparent trend that were of interest. The first was the implication for the notion of careers in the nonprofit sector. The second was the importance, or not, of nonprofit expertise in management. The final issue of interest related to the characteristics that differentiate the nonprofit sector from government and for-profit business. In essence those characteristics could be boiled down to values. Values were the reason that such organisations were established. They were the reason the organisations were ‘not-for-profit’ and they were the reason many employees chose to work in the sector. This raised the question of the role of values in this apparent recruitment trend. Were they central to it or were they peripheral, and if they were peripheral did that signify a change in the character of the sector? These questions were the seeds for this study.
1.2 The research problem and questions

Social justice and humanitarian values constitute one of the salient and defining features of nonprofit community service organisations. It is their raison d’etre. It is the nature of their core business. It is the work they do. It is the reason donors give, volunteers work and employees choose careers in nonprofit organisations. The organisations’ leaders, founders and heroes champion these values. However, much of the literature on the values base of nonprofit community service organisations is from the USA and the UK and is 5–10 years old (this literature is addressed in Chapters 2 and 3).

The economic and political climate for nonprofit community service organisations has changed over the past 15 years. Competitive tendering and outcomes-based contractualist funding agreements have applied considerable pressure to organisations to become more business-like and managerialist in their approach to service management. Some major government funded programs had inherent requirements that were in direct conflict with the values and mission of the nonprofit organisations delivering the services. The most publicised example was ‘breeching’ in welfare to work employment service contracts. This required participating organisations to financially penalise clients, on income support, who did not fulfil the required number of weekly activities. It reduced the income of people already living below the poverty line and was clearly contrary to social justice missions and values.

Careers within the sector in Australia were last studied in 1995 by Onyx and MacLean. A cross-sector analysis of careers in Australia was last published in 1998 by Onyx. Career moves between the sectors have existed and were documented by Lyons nearly 15 years ago. However, judging by the publications in 2002 mentioned above, such transitions are now foreshadowed and encouraged in the popular media.

In 2001 Lyons identified nonprofit community services as an emerging industry in Australia that was experiencing considerable growth, particularly with the government
outsourcing of direct service provision (Lyons, 2001, p. 33). However, along with increased government funding there was an increase in external controls and specifications around its services, operations and accountability.

It is timely to understand what is happening in the Australian nonprofit community service industry in relation to values and their role in the appointment of senior managers and executives. This is not the least because the quintessential leadership task of senior managers to develop and implement strategy which, to all intents and purposes, needs to be congruent with organisational values to be effective for all stakeholders.

1.2.1 Research questions

With the above considerations in mind, the central research question developed for the study is:

*What role do organisational values play in the recruitment and selection of senior executives and managers in nonprofit community service organisations?*

In order to explore this question in its entirety it was further unpacked and broken down into the following subordinate questions.

- What are the espoused organisational values operating currently in nonprofit community services?
- What other values, espoused, implied and/or enacted, underpin priorities and decision making in organisations, including management recruitment?
- Are organisational values relevant in the choice to work in nonprofit community services?
- How do nonprofit workers perceive organisational values in the work and management of nonprofit organisations?
- How are the organisation’s values included or not included in the recruitment process for managers and CEOs? That is:
• background to the recruitment campaign
• conceptualising the ideal candidate
• advertising
• interviewing.

• What significance do values have in the appointment of CEOs?
• What messages do recruitment processes send about organisational priorities and position requirements?
• How do nonprofit workers view senior management appointments, in terms of what they reflect about nonprofit organisations, management and appointments?
• What are the career implications for employees?
1.3 The research approach

1.3.1 Literature sources

The original events that raised the researcher’s interest were embedded in the social and political context in which nonprofit community services operate. This suggested that a source of literature that would inform the research would be about that context, particularly in relation to the changes in social policy that have taken effect most recently. The central theme of the research concerned values and particularly organisational values. Clearly this was another area of research and scholarship demanding further examination. Finally, the research question had implications for careers in nonprofit community services. In order to place these implications in context, understanding the nature of careers from an individual, organisational and sector perspective was important.

1.3.2 Methodology

As the research arose from the observation of what appeared to be a trend, there were questions but no hypothesis. In this circumstance Grounded Theory provided the most suitable methodology. It allowed the theory to develop as an ongoing process and as part of the data analysis. The research question was looking at a possible social phenomenon that was developing in a social context. As such the most appropriate epistemological position for the research was social constructivism. This position recognises that social reality is not objective, or external to the observer, and does not exist outside the human consciousness. It is dynamic and in a constant process of change and formation as a result of the actions, reactions, interpretations and shared understandings of the actors. The methodology is described in detail in Chapter 5.
1.3.2.1 Research projects

Three pieces of research were developed to explore the research questions. The first was a multivariate content analysis of recruitment advertisements for management positions in nonprofit community services from 2002–08. These advertisements represented the first approach organisations made to potential candidates. As such they were a unique lens through which to view what organisations were seeking in their ideal candidate in order to meet the demands of the operating context as it was then and perceived to be in the immediate future. Moreover, in these advertisements organisations imaged themselves to attract the ideal candidate and consequently they reflected those characteristics that the organisation valued in itself and thought desirable. Analysing the advertisements over a seven year period provided the opportunity to observe constancies and changes rather than providing a snapshot in time. The methodology and the analysis of the results of this piece of research are described in detail in Chapter 6.

The second piece of research was an analysis of 22 in-depth interviews. It provided data on actual appointments and the process from the points of view of the Chair of the selection panel and the newly appointed CEO. These interviews reflected the reality in appointments; the process of working from the ideal to the actual with all the micro decisions along the way, including evaluating and re-evaluating priorities. Furthermore, they offered a picture of some current CEO career paths. Chapter 7 details the methodology and the analysis of the interviews.

The final piece of research was the analysis of a questionnaire completed by 212 workers in the sector from a range of organisations and management positions. The questionnaire asked respondents about their views on the management appointments in their own organisations and what those appointments reflected about the organisation’s priorities and strategies for managing in the current context. The alternatives presented in the questionnaire were all positive approaches, thus requiring a relative judgment in response. Moreover, the questionnaire asked for respondents’ views on management recruitment in the sector in general and again, what that reflected about priorities and
strategies. The methodology and the analysis of the results of the questionnaire are explored in detail in Chapter 8.

In combination, the three pieces of research provided a broad and detailed picture of management recruitment from planning through to appointment, including the messages about priorities that workers are receiving in the process.
1.4 Outline of the thesis

The thesis can be viewed in three parts: the literature review, the research projects and the discussion. This traditional presentation was chosen for ease with the reader in mind. It does not represent the Grounded Theory process in which the relevance of the literature only became apparent during the recursive analysis.

The first part is the literature review in Chapters 2–4. Chapter 2 addresses the literature on the social and political context. It looks at the beginnings of nonprofit community services in Australia. It explores the evolution of Australian social policy up to and including the current funding and operating context for community services. Chapter 3 analyses the literature on values from individual, organisational and political perspectives. It also includes a proposed conceptual framework for viewing the role of values in human resource policies in nonprofit community service organisations. The last chapter in this first part of the thesis is Chapter 4. It addresses the literature on careers. It explores careers from the individual and organisational perspectives finishing with a review of careers in the nonprofit sector.

The second part of the thesis is the research projects detailed in Chapters 5–8. Chapter 5 covers the methodology of the study as a whole and the three individual research projects. Chapter 6 details the methodology and findings of the content analysis of the recruitment advertisements over the period 2002–08. Chapter 7 describes the methodology and analysis of the 22 in-depth interviews with newly appointed CEOs and the Chairs of their selection panels. Chapter 8 addresses the methodology and analysis of the 212 questionnaires completed by nonprofit workers.

The final part of the thesis is Chapter 9, the discussion. It addresses the research questions and the conceptual framework for viewing the role of values in human resource policies in the light of the findings. It also identifies possible further research that could
build on this initial study. Finally it examines the study’s contribution to knowledge in nonprofit management.
Chapter 2: Nonprofit community services

2.1 Introduction: Nonprofit community services

‘In every era, society must strike the right balance between the freedom
businesses need to compete for a market share and to make profits and the
preservation of family and community values.’

Hillary Clinton, 67th United States Secretary of State

2.1.1 Definitions and relationships

Western democratic societies have been described by social scientists as a mix of sectors. The most common of these is a tripartite consisting of the state (governments), the market (for-profit businesses) and the community (nonprofit organisations) or the third sector. Billis (1993, p. 249) reworked this view specifically in relation to the addressing of social issues. He included the personal or informal sector and 'zones of overlap' between the sectors.
Figure 2.1: Four societal sectors addressing social issues (Billis, 1993)

The associations or community sector is known by a range of descriptors such as the voluntary sector, the third sector, civil society and the NGO (non-government) sector to name the most common. The definitions vary here and there in relation to the activities they include. However, for the purpose of this thesis, the focus is the subset of non-government, nonprofit community services industries that are referred to by the collective ‘community services’. The organisations in this subset engage in activities such as disability services, substitute care for children, housing, counselling, youth services and employment programs. They include iconic Australian names such as the Salvation Army, Anglicare, Mission Australia, the Smith Family, Red Cross and Save the Children, in addition to the many and varied organisations known little further than their local precincts.

All the organisations are engaged in welfare or social justice work of one kind or another. Moreover, they share a common structural location and self-regulatory principles: that is they are non-government and nonprofit. Notwithstanding the commonalities, there is a great diversity in philosophies, size and resourcing. Large to extra-large organisations tend to manage a greater diversity of funding sources (Berman, Brooks & Murphy, 2006,
pp. 84–86) which can include dedicated fundraising programs and the sale of goods and services (Lyons, North-Samardzic & Young, 2007, pp. 99–100). Nonetheless, whilst many of the organisations have charitable status, the term ‘charities’ does not apply in general because the majority of organisations operate with little or no private donations and are largely dependent upon government funding (Merrindahl, 2006, p. 315). The reality of the resourcing mix of most nonprofit community service organisations is at odds with the common public perception of the sector as charities operating on donations and gifts (Meagher, 2004). This mismatch contributes to many of the difficulties and misunderstandings that surround the community service industries’ attempts to secure sustainable levels of funding (Merrindahl, 2006, p. 315). Moreover, Billis (1993, p. 247) suggests that the changes in government funding policies and practices highlight the issue of blurring between the sectors more and more, as nonprofits adopt bureaucratic and business-like structures in attempts to be competitive and relevant (Billis & Glennerster, 1998, p. 90–92).

There are some universally accepted differences between the nonprofit sector and the government and business sectors in Western democratic countries. The first major difference is the legal restriction on the distributions of organisation earnings. Nonprofits have an inherently different ‘bottom line’ because their purpose is not to create wealth for their shareholders. They can generate income from for-profit businesses but they ‘are prohibited from distributing any surplus they might generate as payment to members’ (Lyons, 2001, p. 6) or any persons in positions of influence within the organisation’ (Hansmann, 1980, 1996). Their primary task or purpose relates directly to their mission. In business the primary task or purpose relates to making a profit (Dartington, 1998, p. 1480). The particular activity in which a nonprofit engages is ‘of primary concern, not subservient to an overriding financial bottom line’ (O’Neil & Young, 1988, pp. 3–4). The principal value it delivers is the achievement of its social purpose and the satisfaction of the donor’s desires to contribute to the cause that the organisation embodies (Oster, 1995, p. 139–43).

The second difference is the value expressive nature of the sector (Jeavons, 1992; James, 1989. This is the selfless service orientated to social change (Drucker, 1990). The mission
of a nonprofit embodies and reflects its values (Sackman, 1991; Schein, 1991; Hudson, 1999). Consequently, Jeavons (1992) claims, they are legitimately held to higher ethical standards than the other two sectors. This is because there is an expectation that their internal work practices reflect the espoused social justice and humanitarian values that underpin their external service provision. Kramer’s (1987) work supports this proposition and takes it one step further to suggest that the influence of values and ideologies on the management and governance of the nonprofit sector is why voluntary social service agencies are seen as more humane, sensitive and individualising than governmental agencies.

The last difference is in the nature and culture of the work environment. Mirvis (1992) and Drucker (1973), 20 years apart, make the same observation that the internalised performance standards, professional codes, and collegial work culture is more likely to operate and influence the decision making in a nonprofit than market behaviour or bureaucratic controls. It is recognised in the literature that nonprofit employees are paid less than their for-profit or government counterparts (Hallock, 2002; McMullen and Schellenberg, 2003; Preston, 1989, 1990). The common explanation for making the choice to work in that sector and accept lower remuneration is because of the nature of the actual work and the values and goals of the employees. It suggests that a trade-off exists between extrinsic remuneration and the intrinsic satisfaction gained from working in the sector (DeVaro & Brookshire, 2007; James, 1989; Mirvis & Hackett, 1983; Onyx, 1998; Preston, 1989; Weisbrod, 1983).

In respect to the challenges of successfully operating a nonprofit community service organisation in Australia, Lyons (1992) reported that the sixteen Chief Executive Officers (CEOs) he interviewed saw three significant differences in managing a nonprofit organisation. They were:

- the variety of revenue sources
- the extensive use of volunteers
- the complexity of governance.
Nine of the CEOs stated categorically that managing a nonprofit organisation was quite different to managing a business or government agency of similar size.

At the last count in June 2000 there were 9,286 employing community services in Australia: 2,800 for profits, 5,938 nonprofits and 548 government organisations. Since the previous count in 1996, the number of government organisations stayed the same, the number of nonprofits increased by 10% and the number of for-profits increased by 32% (Australian Bureau of Statistics, Community Services, Australia, 2001). These figures reflect a decade of significant change for nonprofit community services with the outsourcing of traditional government services, and implementation of outcomes-based government funding agreements and competitive tendering with for-profit businesses.

This chapter explores the community services’ operating environment. It provides the background to current government policies and practices in relation to social justice and welfare. It looks at the nonprofit community services sector and outlines the current context and challenges it is facing.

2.1.2 History of community services

‘Unless you’re poor, you don’t know what poor means. It means you get up in the morning and start killing cockroaches in the bathtub. It means wearing old clothes that make other kids laugh at you. It means not being able to eat peaches until the end of August … To this day, I still feel different. It still hurts a little.’

Arno Penzias, Nobel Laureate, Physics, 1978

Australia has a long history of community services and charities going back to the first decades of white colonisation (Lyons, 2001). They are part of an established identity that Australians have as a caring and compassionate society. In addition to those who use and provide services, there are many Australians who regularly donate resources and volunteer their time to support community services.
Of the large multifunctional community service organisations that exist today, many of them originated over 100 years ago (Lyons, 2001, p. 35). The oldest community service organisation in Australia is the Benevolent Society which was established in 1813 to provide social services to mothers and children (Benevolent Society, 2006; Lyons 2001). Other large church-based organisations started in the 1800s with the Salvation Army beginning its provision in 1880 (Lyons, 2001). Sydney City Mission, an unsectarian organisation, commenced operating in 1860 to administer to the spiritual and physical needs of those living in poverty (Mission Australia, 2008). These organisations were established by philanthropic people who were driven to address the disadvantage that existed in the colony. They mobilised people and resources to tackle, in the main, poverty, homelessness and the needs of children and mothers. It was the beginning of a charitable culture in Australia.

Today, the majority of third sector organisations in Australia are no more than 20 or 30 years old (Lyons, 2001, p. 15). This reflects the increase in government funding to community and nonprofit community service organisations in the 1970s and 80s which was a direct result of community lobbying and activism (Lyons, 2001, p. 37).

Disability services provide a different example of the development of one of the non-government community services industries. Pre the First World War there were few non-government organisations established to meet the needs of people with a disability apart from the deaf/blind institutions. The options for people with intellectual, physical and psychiatric disabilities were government destitute asylums, lunatic asylums and homes for the incurables. After the Second World War parents of children with a disability began to mobilise against the government institutions and build their own parent-operated services for people with intellectual and physical disabilities. Moreover, they began to organise advocacy groups to lobby for the interests of people with a disability. It represented the beginnings of a disability community based in the community.

In the latter part of last century, on the back of the civil rights and women’s movements, the disability rights movement started to gain momentum. People with a disability started to organise for themselves. An example of this in service delivery is Spinal Cord Injuries
Australia. It was conceived in 1966 by a group of young people with severe spinal cord injuries who had been living in the spinal injuries ward of Prince of Wales Hospital, Sydney for over six years. In its constitution there is a clause that ensures the organisation is governed by a majority of people with a disability (Spinal Cord Injuries Australia, 2005). Another example is People with Disability Australia which was founded in 1981, the International Year of Disabled Persons. It is primarily an advocacy organisation that provides ‘people with disability with a voice of (their) own’ (PWD). Its Board is comprised exclusively of people with a disability. It is a central organisation in the growing and active disability community.

Child care illustrates a third type of genesis of a non-government community services industry. It includes long day care, family day care and (more recently) outside schools hours care. This industry began as a direct result of economic pressures on women and particularly in the beginning, sole mothers (Brennan, 2005, p. 75). In the last couple of decades it has moved from a need for people in difficult socio-economic circumstances to most dual income families where ‘professional child-care has become a necessity, not a choice’ (Law Institute Victoria, 2006). The first legislative response to childcare was the Commonwealth Child Care Act (1972). This was followed by the first provisions of funding for childcare under the Whitlam government. Australia became a signatory to the 1981 International Labour Organization (ILO) Convention 156 on Workers with Family Responsibilities. It recognised the caring responsibilities of both men and women workers and called on governments to work towards workplace arrangements to support these workers. More recently the issues in childcare have shifted from provision through public and nonprofit organisations to private for-profit centres (Brennan, 2005, p. 79). It is a community industry and an issue that unites users across the socioeconomic divides.

These three examples of community services illustrate the differences in beginnings and histories. They represent organisations established by benevolent, philanthropic citizens and churches; organisations born out of unmet need and a growing awareness of rights and organisations created in response to the pressures of social and economic changes in society. Notwithstanding their different beginnings, they all reflect community roots and
ownership. Moreover they have been part of a larger sectoral agenda that unites them in advocacy and as agents of change.

Since the last decades of the twentieth century, all community services in Australia have experienced substantial change as a result of intense reform in government-community sector relations (Painter, 1997). This has resulted in an expanded role for some community services, the cessation of others and tighter specifications on government funded service delivery. It has produced a complex 'mixed economy of service provision' (McDonald & Marston 2002a, p. 378). What is more, these reforms have created a dichotomy between so-called ‘backward looking’ organisations with a welfare and welfare state culture and ‘forward thinking’ organisations with a ‘social entrepreneurial’ or business orientation and modus operandi. These reforms and government policy regimes are explored in the next section.
2.2 Social policy and government provision

‘Because social policy rests on value judgements (about ends as well as means) its development is an outcome of the political process.’

Peter Saunders (2002)

2.2.1 History of social policy and government provision

Prior to 1914 the world economy operated on global capitalism without constraints (Quiggin, 2005, p. 22). In 1914, protectionist trade policies were first initiated by Germany and the USA to counter internal economic stresses that were emerging. Then came World War I followed by the Great Depression. Government intervention introduced to counter unemployment in the 1930s, and then to mount Australia’s World War II effort, was the forerunner to the economic planning of the post war years. It was committed to full employment.

‘They were members of the Curtin and Chifley governments, fiercely determined that they would never allow working men to be humiliated and lose their dignity when twenty, thirty, forty percent couldn’t get work in the 1930s. So there was a fierce ideological commitment of those men.’


From the 1950s through to the 1970s social democracy or the ‘welfare state’ expanded in Australia as it did in many Western democracies. It was a combination of Keynesian economic theory (state regulation of economic activity) and Beveridge’s social policy (state provision for the elimination of ‘want, ignorance, squalor, disease and idleness’) (Jamrozik, 2006, p. 6). The State and Federal Governments owned basic infrastructure such as roads, power, and telecommunications and provided essential human services such as education, healthcare, housing and poverty relief. The Federal Government
managed the economy by controlling interest rates and exchange rates (Quiggin, 2005, p. 25–27).

The welfare state aimed to mitigate the inequalities of extreme wealth and extreme poverty that were created by the industrial revolution and existed unabated into the twentieth century in the Western World. Its ideals were:

‘... distributive justice, maximum feasible participation by the population in the decisions that affected them, and the provision of social supports that would maximise self-worth and dignity, minimise stigma, and create an equitable and just community.’

Adam Jamrozik (2006, p.6)

Community services existed in this stable and seemingly, thriving economy based on the pervading wisdom of Keynesian economics and Beveridge’s social policy (Rowse & Mitchell, 2005). It was grounded in four basic assumptions: ‘economic protectionism, full employment for male breadwinners, centralised wage fixing and the provision of unpaid care by women’ (Mitchell, 2001).

‘Government (was) seen as being the 'doer' and people expected Government to be the 'doer'.

John Cain (2006)

The problem with Keynesian economic management was that it did not control inflation or unemployment, both of which were running high by the 1970s. Moreover the process of international financial deregulation had commenced and there was a consequent pressure for the deregulation of domestic capital markets. Elements of Keynesian macroeconomic policy became mixed with a monetarist approach (stabilising the economy through controlled interest rates and the supply of money). In 1983 Australia floated the dollar and the inevitable ‘broader microeconomic reform agenda of financial deregulation, privatisation, free trade and reductions in public expenditure and taxation’
followed (Quiggin, 2005, pp. 25–7). This microeconomic reform agenda was, in effect, economic liberalism or neo-liberalism. ‘Its defining features are the fact that it is a reaction against social democracy … and … (its) primary focus is on economic policy’ (Quiggin, 2005, p. 31).

By the 1990s economic globalisation was a recognised phenomenon and it heralded the end of national economic sovereignty. There was a clear tension between the welfare state and market forces (Jamrozik, 2006, pp. 4–7). Neo-liberals, committed to small government and market solutions, saw the welfare state as smothering individual initiative and obstructing economic growth. Moreover, anti-universalists, who believe in the fair distribution of wealth and power, questioned the capacity of the State to make the fundamental changes required to achieve this goal. They saw the welfare state, with its promise of entitlements, as perpetuating disadvantage as opposed to eliminating it (Fitzpatrick, 2002, p. 60). Neo-liberalism became the dominant economic theory on which developed nations based their political and social policies. Whilst differences existed between countries, the one common goal was to control and reduce social expenditure. This was based on the view that expenditure on welfare reduced the amount of capital available for investment and that the entitlement presumption fostered an attitude of dependency and reduced responsibility (Murray, 1984; Marsland, 1996; Jamrozik, 2006, p. 7). Table 2.1 (Jamrozik, 2005, p. 10) illustrates the differences in principles and practice between the welfare state and the post-welfare state.
The welfare state | The post-welfare state
---|---
Acceptance of responsibility for the welfare of all citizens as a matter of deliberate policy. | Acceptance of responsibility of welfare as a matter of rather unfortunate necessity.
Universal entitlements to social provisions. | Selective entitlements.
Aim to control the excess of the ‘free’-market economy. | Promotion of market economy principles as a model to follow.
Commitment to the pursuit of equality at least in access to opportunities and resources. | Acceptance of inequality as ‘natural’ and indeed desirable to achieve efficiency.
Commitment to principles of collectivity. | Commitment to individualism.
Maintaining social expenditure at a level ensuring reasonable standards of provisions. | Curtailing of social expenditure to an absolute minimum.
Infrastructure of resources (power, water) provided by public sector. | Reduction of public sector; privatisation of the infrastructure.
Acceptance of collective bargaining in industry through trade unions. | Promotion of individual contracts between employer and employee.
Distributing money, services and power through citizens’ participation. | Distributing money, some services but no power.
Social provisions as entitlements. | Social provisions as commodities.
Social control by the state. | Social control increasingly by the market.

Table 2.1: The welfare state and the post-welfare state

(Jamrozik, 2005, p. 10)
In line with these international trends, the Australian Federal and State Governments’ economic rationalist policies (particularly from 1996 onward) resulted in a significant paradigm shift for the respective public services. No longer were they to be the ‘doers’, the service providers; they became the outsourcers and the service purchasers (Way, 2002; Head, 2005).

Concomitantly, the public sector developed and embraced ‘New Public Management ’ and ‘responsive government’ strategies which emphasised and focused on outcomes in quantifiable terms and which sought higher productivity through increasing efficiencies and cost effectiveness. The Federal and State Governments’ commitment to the economic rationalist imperatives of performance measures, accountability for outcomes and value-for-money saw many of their human and community service areas that were essentially non-economic, recast (Head, 2005, p. 47). The Australian Federal and State Governments ‘pushed the “contractualist” model of welfare virtually to its limits’ (Ellison, 2006, p. 93). Moreover, many of these complex contracts were ‘administered predominantly according to private sector principles’ (Ramia & Carney, 2000, p. 63). Whilst the respective governments’ rhetoric justifying their shift from service providers to service purchasers has always been about improving standards and achieving better outcomes for service users, there is some suggestion that it is far more about cost savings (Webster & Harding, 2000, p. 33).

To understand better the dramatic paradigm shift from social democracy and the welfare state to neo-liberalism and the post welfare state, it is worth exploring the underpinning values and philosophies of neo-liberalism and the resultant government policies.

2.2.2 Social democracy

Social democracy is the political ideology behind the welfare state. Its fundamental premise is a democratic welfare state that incorporates both capitalist and socialist practices. It achieves this through state operated and or funded programs that counter the injustices and redistribute the inequalities created by the capitalist market system. Dow.
ascribes five principles to social democracy. They are affluence, civility, security, equality and participation.

2.2.3 Neo-liberalism

‘Nobody spends somebody else’s money as carefully as he spends his own.
Nobody uses somebody else’s resources as carefully as he uses his own. So if you want efficiency and effectiveness, if you want knowledge to be properly utilized, you have to do it through the means of private property.’

Milton Friedman, Nobel Laureate, Economics 1976

Neo-liberalism is a political movement that grew out of neo-classical economics and libertarian political philosophies. Its fundamental position is that government control over the economy is inefficient, potentially corrupt and consequently undesirable. It is committed to small government and market solutions. It gained momentum after the stagflation (simultaneous inflation and economic stagnation) of the 1970s, the Developing World Debt crisis of the 1980s and the Soviet collapse of the early 1990s. Neo-liberalism has been promoted by significant financial institutions such as the International Monetary Fund, the World Bank and the Inter-American Development Bank (Martinez & Garcia, 2000).

It is based on the following assumptions (Robbins, 1999, p. 100).

- Sustained economic growth is the way to human progress.
- Free markets without government ‘interference’ are the most efficient and socially optimal allocation of resources.
- Economic globalisation is beneficial to everyone.
- Privatisation removes the inefficiencies of the public sector.
- Governments should mainly function to provide the infrastructure to advance the rule of law with respect to property rights and contracts.
These assumptions translate into the following main features of neo-liberalism in practice (Martinez & Garcia, 2000):

- deregulated markets and workforces that allow free enterprise to flourish increasing economic growth which ultimately benefits all
- reduced public expenditure on social services such as health, education and welfare
- privatisation of state-owned enterprises and utilities, which in the hands of the ‘market’ will be efficiently and effectively operated free from the potential corruption and divisive influences of political pressure groups
- the reframing of concepts such as ‘the public good’ and ‘community’ to concepts of ‘individualism’, ‘individual responsibility’ and ‘mutual obligation’.

In summary, neo-liberalism values the existence and operation of markets and quasi-markets for themselves quite separately from their relationship to and effects on the production of goods and services.

The criticisms of neo-liberalism are centred around its effects on wealth distribution and the consequent social fallout. The common observation is that ‘the rich grow richer and the poor grow poorer’. Jamrozik (2005, pp. 13–14) makes the point that the capitalist economic system is based on inequality. Moreover, whilst governments with neo-liberal policy agendas may engage in measures to alleviate some of the effects of inequality, they will never attempt to eliminate inequality because that would be a direct threat to, and fundamentally incompatible with, their economic system. Joseph Stiglitz, former World Bank Chief Economist (1997–2000) and Nobel Laureate in Economics expressed the concern that the current neo-liberal form of economic globalisation not only risks exacerbating poverty but also increasing violence because it is impossible to separate the economic from the social and political in society (Pierri, 2004).

In Australia many of the principles of neo-liberalism have been adopted with the deregulation of the finance industry, the part or full privatisation of many of the state’s utilities and services, and industrial relations reforms to name a few. In terms of welfare reforms, Fitzpatrick (2002, p. 60) observed that whilst the welfare reforms may not
strictly conform to a neo-liberal model, welfare has been restructured and entitlements removed with the development of a pragmatic New Public Management approach. New Public Management is a paradigm shift in public management ‘aimed at fostering a performance-oriented culture in a less centralized public sector’ (OECD, 1995, p. 8). These government adaptations of neo-liberalism in Australia have been commonly referred to as economic rationalism (Pusey, 1991; Quiggin, 1997). Economic rationalism and New Public Management are made up of a combination of theories such as public choice theory, transaction cost theory and principal-agent theory as well as a variety of private sector management techniques (Hood, 1991, p. 5). The essence of each of these is explored in the following sections: Economic rationalism, Public choice theory, Transaction cost theory, Principal-agent theory and Purchaser-provider split.

2.2.4 Economic rationalism

‘Economic rationalism’ refers to the Australian State and Federal Governments’ adaptations of neo-liberalism in their microeconomic policies. Those policies included the previously mentioned deregulation, privatisation, taxation reforms to lower direct taxation and increase indirect, user pays taxation, and a reduction of the size of the welfare state. All of this was in the name of a free market economy.

Whitwell (1998) summarised the following basic assumptions of economic rationalism.

- The unregulated capitalist economy has an inherent tendency toward self-correcting equilibrium where demand and supply are in balance.
- Movement toward equilibrium is brought about by changes in relative prices (including goods, services, wages and interest rates). Consequently, persistent unemployment is caused primarily by institutions (for example, trade union pressure, minimum wage legislation) preventing the price of labour (wages) from moving to a level where demand and supply are in balance and full employment is achieved.
- Greater efficiency is a primary goal. Increased competition and the unlocking of market forces are the key means of obtaining it.
• The central purpose of government policy should be the establishment of a framework in which the efficacy of market forces is maximised and hence where resources can be allocated as efficiently as possible.

• The capitalist drive and the inherent vitality of the capitalist system, resides in the private sector. A major reason for the private sector operating less than optimally is the excess of government regulations which impede its efficiency.

• The larger the public sector, the less dynamic and the more constrained the private sector’s entrepreneurial spirit becomes.

• The public sector is by nature inefficient because there are no market forces to discipline its operation. Consequently, the public sector needs to model itself on the private sector where possible. This includes outsourcing public sector activities that can be or are being carried out in the private sector.

• The result of all of the above will be an increase in net economic welfare: the economy will become more dynamic and scarce resources will be allocated more efficiently.

Since the first policies were foreshadowed there has been fierce debate about the consequences of economic rationalism. Essentially, proponents believed that the market was ‘the only legitimate allocator of goods and services in society at large’ (Battin, 1991, p. 296) and should be ‘the major coordinating mechanism in the Australian economy’ (Norton, 1995, p. 228). They favoured the economic rationalist ways, means and ends because they were quantitative rather than qualitative and as such could be represented as values free and amoral (Battin, 1991, p. 303). Economic theories could clarify trade-offs but had ‘no comparative advantage in the resolution of moral dilemmas’ (Dollery & Wallis, 1997, p. 304). These dilemmas could only be resolved in public debate on values and through the political process. Critics of economic rationalism believed that it was very much a value system. Moreover, its political proponents, adhering to its ‘values free’ ‘amoral’ disguise, excluded interest groups from input and debate and ‘thereby endangered democracy’ (Battin, 1991, p. 302). At a policy level, critics saw economic rationalism portraying the Australian welfare state as ‘bloated and wasteful, producing feckless people’ when in reality it was both ‘reluctant and mean’ (Rees, 1994, p. 173).
Basically, it seemed that economic rationalism appealed to politicians who preferred to avoid responsibility for public provision with all its consequent liabilities (Gow, 1995).

In terms of public provision and government agencies, economic rationalism was translated into New Public Management and this incorporated public choice theory, transaction cost theory and principal-agent theory.

### 2.2.5 Public choice theory

The elements of neo-liberalism and economic rationalism that are based on the assumption that government agencies are inherently inefficient and potentially corruptible come from public choice theory. Public choice theory is a branch of economics that developed in response to the inability of government to effectively correct market failures (a Keynesian economic assumption). It applies the principles used to analyse people’s behaviour in the marketplace to people’s behaviour in collective decision making. It assumes that whilst ‘people acting in the political marketplace have some concern for others, their main motive, whether they are voters, politicians, lobbyists, or bureaucrats, is self-interest’ (Shaw, 1999).

Public choice theory begins with the voters. It assumes that because it is difficult to see a direct result from a single vote, voters are largely detached and uninformed about the broad-ranging machinations involved in the political process of governing. This leaves legislators without a strong, immediately consequential relationship with the direct individuals responsible for electing and removing them from their positions. Even though the rhetoric and expectations are that legislators work in the ‘public interest’, there are few immediate and transparent checks and balances to ensure and motivate this. It is far more the case that legislators are motivated by self interest. The resources that legislators allocate are not their own. The resources are provided by taxpayers on a mandatory basis whether the taxpayer likes the way their taxes are used or not. Consequently the efficiency with which these resources are managed does not return any surplus to the
individual legislator nor the taxpayer. The benefits are quite removed from the decision making and the incentives for good management in the public interest are weak.

However, powerful, high profile interest groups are quite a different matter. Their endorsement of political parties and individual politicians, in addition to potential campaign donations and volunteers are direct benefits for legislator support – a potentially corruptible formula (Shaw, 1999).

The final point at which public choice theory applies is the public service. The context for inefficiencies in the public service centres on the advantages of large departmental budgets. Large budgets mean greater power, higher ranking senior executive positions and bigger salaries. As Felkins (2006) describes it, ‘budget maximisation results in higher government spending overall, inefficient allocation among government agencies, and inefficient production within them’. Moreover, the process of government departments allocating block grants to non-government organisations encourages those recipient organisations to lobby for the maximum amount available and spend the total allocation, irrespective of actual costs and need.

Public choice theory assumes that public servants are not motivated by the profit goal. They are motivated by their ‘mission’ at best and by their ‘salary, prerequisites of the office, public reputation, power, patronage ... and the ease of managing the bureau’ (Niskanen, 1973) at worst. They rely on the government for their budgets and can directly benefit from the effective lobbying of powerful interest groups that share their mission. Consequently the interrelationship between public servants and interest groups can be problematic and lead to public servants being ‘captured’ by interest groups (Stigler, 1971).

In her review of nonprofits under the Howard neo-liberal government, Staples (2006, p. 6) made the following observations of nonprofits viewed through the lens of public choice theory. First of all, public choice theory rejects the notion of altruism in nonprofit policies and activities. Public choice theorists do not see the nonprofit organisation as an entity that has purpose, values and policies that transcends personnel changes within the
organisation. They refute the idea that consensus can be achieved through the open debate of public policy by all who are concerned. In fact, on the subject of developing public consensus, Mancur Olsen (1965) said: ‘Coherent national policies cannot be expected from a series of ad hoc concessions to diverse interest groups’.

Not surprisingly, public choice theorists reject the advocacy role of nonprofit organisations, maintaining that it impedes the workings of the marketplace by pursuing self interest with unwarranted expectations of the economy. So, public choice theorists commend nonprofits ‘if they go about their activities filling in the gaps left by the withdrawal of government’, but criticise them ‘if they attempt to have any say in policy’ (Staples, 2006, p. 6). However, whilst these comments may suggest otherwise, many public choice economists maintain they have no political or ideological positions.

2.2.6 Transaction cost theory

Transaction cost is the cost of providing goods and/or services through the market rather than providing them from within the organisation or government department. There are three basic types of transaction costs:

- search and information costs
- bargaining and decision costs
- policing and enforcement costs.

In the 1990s in Australia, a policy of ‘competitive neutrality’ was introduced to government business activities. This required government businesses to operate with transparent costing in the same way as private businesses and with the same obligations. It aimed to promote efficient competition between public and private businesses (Australian Government Productivity Commission, 1996; OECD, 1995). Moreover, the policy was designed to lower costs, increase transparency and ensure that public sector instrumentalities became smaller, more efficient and more productive (Young, 2003).
In terms of community services, government departments sought to maintain the lowest transaction costs possible primarily through the creation of quasi markets with non-government community services and private providers. Government provision for community services such as the Commonwealth Employment Service was largely outsourced. This has been commonly referred to as the purchaser-provider split. The purchaser-provider split does not just encompass the principals of transaction cost theory; it is also based on principal-agent theory.

2.2.7 Principal-agent theory

The basis of principal-agent theory is the principal-agent relationship. The principal is the party paying to have a job done and the agent is the party who does it (de Laine, 1997; Quiggin, 2006; Ross, 1973; Walsh, 1995). In relation to government and the public services, the citizens of Australia are the principal who elect parliamentarians, the majority of whom form a government. This is the first level of principal-agent. The government selects and employs the public service, the next level of principal-agent. The public service then acts or employs others to act as their agents. In a perfect world the agents would act only as the principal desired and only with the principal’s interests in mind.

However, in the real and imperfect world the agents are not disinterested parties. They have goals and agendas of their own. The most obvious example is government which works to be re-elected and consequently makes decisions with the election cycle in mind. At the public services level there are numerous agendas that can influence the ‘agent’s’ actions beyond the best interests of the principal. Such agendas can be growth and power, or simply justifying and maintaining a department’s existence. At the community services level, non-government organisations have their own independent mission and purpose. Moreover, government is only one of their stakeholders. They also need to consider the best interests and desires of their members and service users.
Not surprisingly, the fundamental ‘concern of principal-agent theory is to show how incentives and accountability can align the interests of principals and agents more closely’ (Quiggin, 2006, p. 1). In the case of a principal-agent relationship between a government department and a non-government organisation the leverage for bringing the interests into close alignment is the financial remuneration and the specifics of the contractual arrangement. However, whilst this may manage the agent’s financial interests, managing the influence of the agent’s other agendas requires tight monitoring and control; monitoring and control that is specified in the contract (Newman, 2001, p. 85). Moreover, the easiest form of agency contract for the principal is one where the agent bears all the risk associated with bad outcomes (Quiggin, 2006, p. 1).

2.2.8 Purchaser-provider split

The Australian Department of Finance and Administration in their publication *Clarifying the exchange: Review of purchaser-provider arrangements* (1995, p. 9) defined ‘the purchaser-provider split’ as an arrangement where the purchaser is the principal who decides what will be produced and at what cost, and the provider is the agent who delivers the agreed contractual outputs or outcomes. Two of the fundamental principles and perceived benefits of the purchaser-provider split are defining outcomes (principal-agent theory) and creating competition between agents for the contracts (transaction-cost theory).

Another defining feature is the separation of the development of policy (government/principal) from its delivery (community service provider/agent). The Department of Finance and Administration (1995) identifies the benefits of this separation as a clarification in roles and responsibilities which in turn improves client responsiveness. Furthermore, it provides a clearer focus on individual responsibility, improves accountability and enhances the ability of managers to manage. However, evidence from an Australian study suggests that these claims may be overstated. Ryan, Parker and Brown (2000) concluded that whilst the organisations they studied improved various aspects of their services under the purchaser-provider split, it was not possible to
attribute these improvements specifically to the purchaser-provider split. They were improvements that could have happened anyway. Moreover, in relation to clear individual responsibilities between the purchaser and the provider, the facts suggested a tendency towards more confusion, particularly when the purchaser was also the regulator as is the case with disability services, aged care and childcare for example. Finally, whilst service agreements may intend to provide clear roles for both parties, they were not able to describe and include the breadth of activities undertaken by service providers, such as preventative programs, coordination and advocacy.

The purchaser-provider split is generally considered to save costs in service provision. Moving from a budget-based allocation of resources to an output-based allocation has been estimated to save almost 10% (Gerdtham, Lonthgren, Tambour & Rehnberg, 1999). However, associated cost saving strategies such as increased outcome demands on service providers have resulted in bigger workloads, increased administration, greater levels of job stress, reduced work satisfaction and less service user contact (Laing & Shiroyama, 1995; Parryjones, Grant, McGrath, Caldock, Ramcharan & Robinson, 1998). Moreover, Ashton (1998) has suggested that the cost savings will diminish over time due to the increased transaction costs related to the contractual arrangements.

Another touted benefit of the purchaser-provider split is the competition engendered between service providers that is said to improve responsiveness and client focus (Lewis, Bernstock, Bovell & Wookey, 1996). However, in terms of social welfare there are strong counter arguments to the benefits of competition. In the first instance there is no genuine competitive market. What competitive market exists is purely a construct of the funding departments and consequently referred to as a ‘quasi market’ (Ashton & Press, 1997; Shackley & Healey, 1993). Moreover, such competition has a negative impact on the longstanding cooperative and transparent practices that have existed between community services; co-operative practices that are also cost saving and capacity building in the sector (Bergman, 1998; Council on the Ageing [COTA] 1997; Morrow, Bartlett & Silaghi, 2007). Finally, whilst competition may produce saving for the funder, it can create additional costs to the service providers particularly in administration and tender preparations (Coile, 1994).
Overall, there are three particularly damning criticisms of the purchaser-provider split, with its competitive quasi market and its outcomes-based funding contracts.

The first is that it encourages creaming and the misrepresentation of service user characteristics (Shepherd, Muijen, Hadley & Goldman, 1996; Forder, 1997; Parryjones, Grant, McGrath, Caldock, Ramcharan & Robinson, 1998; Frumkin & Andre-Clark, 2000). ‘Creaming’ is the practice of providing services to low support needs, ‘easy’ service users in order to obtain the necessary outcomes at minimum cost to the organisation. The flip side of this practice is that less attention is given to service users with high support needs and few, if any, options for services.

The second criticism is that the outputs focus limits the capacity of service providers to concentrate on the long-term social justice and social change objectives (Ryan, Parker & Brown, 2000; Morrow, Bartlett & Silaghi, 2007). The final criticism is a more general observation that the effects of the purchaser-provider split have contributed to an increasing lack of ‘human-ness’ in caring for people and communities (Allen & Potten, 1998; Keating, 1997).

These criticisms raise real questions about the sustainability of the unique contribution that nonprofit community services make in both the delivery of services and to the goal of achieving an inclusive and participatory civil society (Carson 2000; Flack & Ryan 2003; Raper 2000). In fact, these criticisms suggest significant changes in attitudes to social justice, equity and the universality of welfare (Randall, 1995).

2.2.9 Partnerships and the ‘third way’

Partnerships are not a new concept in history of the relationship between government and nonprofit community services (Balloch & Taylor, 2001). Over the years Salamon (1987, 1995, 2002), observing the American context, has maintained the mutual benefits of the partnership model suggesting a symbiotic relationship in which both sectors derive
mutual benefit. Nonprofits inform government policy and programs and through acting as the providers they allow government to extend its array of functions without increasing its workforce. Nonprofit organisations, on the other hand, benefit from government through increased funding which in turn increases their size and autonomy and enhances their legitimacy.

In Australia, rhetoric about the benefits of partnerships has also resurfaced in recent times. The *McClure Report* (2000, p. 52) recommended social partnerships in order to ensure ‘the most effective targeting of resources and the identification and application of good practices’. In 2006 the NSW Government published a compact between itself and non-government human services organisations, called *Working Together for NSW*. It referred to ‘an independent, robust and diverse non-government sector’; ‘community participation in decision-making’; and ‘trust and respect in partnership arrangements’. The NSW compact is one of a number produced by state governments (Government of South Australia, 2005; ACT Government, 2004) and represents a trend that the Rudd Labor Federal government has foreshadowed following with a National Compact designed to re-build the good relationship between the government and the nonprofit sector (Senator Ursula Stephens, 2008).

This new rhetoric is focussing on partnerships of a more equal footing that have common goals, joint management, shared responsibilities and an integration of services (Goddard, 2006; Considine, 2005). Yenken and Porter (2001) suggest a number of reasons for the re-emergence of partnerships as the desired relationship between government and nonprofit services. In the first instance, they suggest that governments are acknowledging their inability to keep abreast of the growing social problems. A new approach is required that is planned and integrated. Finally the partnership concept is a recognition of the significant contribution that nonprofit community services make in our society.

The ‘third way’ is a partnership model that was first developed in the UK under the Blair Labor government (1998). Since then it has gained currency as a partnership model for social welfare delivery, including in Australia. It is premised on a co-operative partnership between the state and ‘a highly responsive community enriched with social
capital’ (Goddard, 2006, p. 9; Dollery & Wallis, 2001; Reddel, 2004). Proponents of the third way maintain that it is essentially different from previous government community sector relationships such as ‘contractual’ ones, because it is about engendering a new and unique partnership between the state and civil society; a paradigm shift (Hodgson, 2004; McGregor-Lowndes & Turnour, 2003; Balloch & Taylor, 2001).

There are some who have chosen to reserve their judgement about just how new and distinct a form of welfare governance these partnerships are (Powell & Glendinning, 2002; Rummery, 2002; Goddard, 2006). There are others who are concerned that the partnerships rhetoric is that only and not in reality anything different from the arrangements of old (ACOSS, 1997; Lyons, 2002; 2003; Rowe, 2002). As Craig and Taylor (2002, p. 134) put it: ‘new rhetoric poured into old bottles’. Merrindahl (2006, p. 319) was quite specific in his concerns about partnerships, maintaining that whilst they appear to mitigate the threat of universal lowest-price tendering, they still do require contracts in which the government specifies funding amounts and service requirements. What is more, this continues to displace the responsibility for service quality onto the community service organisation, ‘without transferring any control over the amount of money available to deliver service quality’ (Merrindahl, 2006, p. 319).

Another aspect to the general community partnership rhetoric of the Howard Liberal Federal Government was its invitation to for-profit business to be a funding party in the mix. The synergy between the need for profitable businesses to reinvent themselves as caring, responsible corporate citizens and the ever-present need for more welfare dollars appeared self evident.

2.2.10 Corporate philanthropy

With the growth of the global market economy, the exposure of environmental disasters like the Exxon Valdez oil spill in 1989, the exploitation and abuse of workers in developing countries by large corporations like Nike, and the bankruptcy scandals of
companies like Enron in 2001, community pressure on organisations for evident social responsibility increased internationally and domestically.

‘The World Business Council for Sustainable Development defines corporate social responsibility as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce, their families and the local community and society at large.’

Corporate Responsibility Index (2007)

Whilst some philanthropic foundations and trusts existed in Australia before the latter part of the last century, they were small and relatively inconsequential in the funding dynamics of the welfare sector (Lyons, 2001). However with the growth in the market economy and the increasing pressure for social responsibility, successful Australian businesses set up associated philanthropic foundations such as the Macquarie Bank Foundation and the Dick Smith Foundation. Moreover, seeing the opportunity for business to participate in the funding of welfare, the Howard government established the Prime Minister’s Community Business Partnership. The separation between markets and welfare blurred further.

‘Over the past decade, the business sector has increasingly acknowledged that, not only can it make a significant contribution to building a dynamic and strong community, but there are measurable benefits to be gained by the business when community investment activities are aligned with long-term business objectives.’

Prime Minister’s Community Business Partnership (2007)

The common way in which these philanthropic foundations and trusts distribute their largesse is to identify specific areas of focus, if any, and determine grants based on applications submitted by nonprofit organisations. In one light there appear to be mutual benefits all round. Successful business, making healthy profits, can be imaged as caring with a conscience as opposed to heartless self-serving profit machines. Non-government welfare organisations have another avenue for funding that is flexible and innovative and can supplement their fixed and tied government contracts. Finally the government
benefits because it further outsources some of its welfare responsibilities particularly for research, innovation and development. Nonetheless, not all responses to this further outsourcing are positive. There is a notable voice of concern.

‘However capable Australian executives are in the running of public companies, they have no special insights in wider social, cultural or environmental matters…Equity and justice are not matters left to the mercy of efficient markets. Properly, we make them the concern of governments and the province of legislation. To make society fair and just we fund a public service that provides expert advice and administers programs, sometimes efficiently and well. Taxes are levied so that social priorities can be addressed.’

Chas Savage (2004)

As Savage’s comment reflects, the fundamental responsibility for funding does and always should rest with the government. Nonetheless, this funding responsibility through its various incarnations has produced growing dissatisfaction and tension between government and the community sector.

2.2.11 Government funding of community services

‘The traditional separation between the market in generating resources and the welfare state in redistributing them has become blurred along with the distinction between the scope of welfare and market activity’.

Peter Saunders (2002, p. 53)

Merrindahl (2006, p. 314) stated three arguments used by community service organisations to claim funding. They are:

- the ethical responsibility of society to direct funding to services for the disadvantaged
- the desirability of government investment in a growing industry with high social benefits
• the legitimacy of community organisations as directly accountable to the public (rather than to government) for the delivery of services that return benefits to the community that contributed taxes for them.

With small differences, these arguments resonate with the appeals for support that community organisations have made to government since their inception. It is governments’ responses that have changed significantly over the years.

The evolution of government funding can be viewed through a typology of four models (Lyons, 1997, 2001). In the first instance there was the philanthropic model in which community organisations approached government for support for a particular project. Then under the welfare state, governments employed a submission model of funding that required nonprofits to submit proposals outlining their needs both recurrent and capital. With increased emphasis on reducing government spending, the planning model was employed. It allowed governments to identify areas of need in advance and fund nonprofits to provide the services. The services identified and provided evolved in terminology to outputs and a consequent uniformity or near uniformity in funding for outputs developed. As previously mentioned, by the end of the twentieth century, government microeconomic reforms not only introduced the shift from government provider to purchaser but also ‘competition policy’. Governments specified in detail what services and delivery methods they wished to purchase and called for tenders. Nonprofits found themselves bidding against each other and against for-profit organisations under the competitive tender model. An aspect of the competitive tender model is the quasi-voucher model. It was used to fund organisations to provide a level of service to an individual according to predetermined broad levels of need. This was particularly the case when the individuals concerned had previously been under the care of state services.

As identified in Section 2.2.8 on the purchaser-provider split, there have been numerous criticisms of the recent ‘contractualist’ funding models such as competition undermining cooperation; short-term funding limiting long-term social justice and social change objectives; the misrepresentation and creaming of service users and an increasing lack of ‘human-ness’ in caring for people and communities. Quite specifically, in Australia,
under the Federal Howard government and the respective State Governments of the time, there have been serious issues to emerge around funding that have threatened the fundamental independence of nonprofit community services.

The first of these issues was around the role of advocacy which is central to the purpose and responsibilities of the nonprofit community sector. In 1991 the House of Representatives Standing Committee on Community Affairs brought down a report that said: ‘an integral part of the consultative and lobbying role of these organisations is to disagree with government policy where this is necessary in order to represent the interests of their constituents’. Five years later in 1996 John Howard had formed the first Liberal Coalition government in 13 years. In the same year he gave the Menzies Lecture entitled *The Liberal tradition: The beliefs and values which guide the Federal Government*. In this lecture, Howard’s attitude to the nonprofit sector was evident. He used descriptions such as ‘single-issue groups’, ‘special interests’ and ‘elites’. Moreover he was emphatic that the government would be ‘owned by no special interests, defending no special privileges and accountable only to the Australian people’. This began an intense period of de-funding organisations that engaged in advocacy that was critical of the government, including peak organisations with their unique overview of the sector (Staples, 2006; Sawer, 2002; Melville, 2003). For example in women’s services alone, the Federal Government defunded the Coalition of Activist Lesbians-Australia, the Association of Non-English Speaking Background Women of Australia and the Women’s Electoral Lobby (Maddison, Denniss & Hamilton, 2004, p. 25). Funding for size and economies of scale forced smaller organisations, often with specific interests, into amalgamations that further silenced views (Staples, 2006, p. 10). Finally, confidentiality clauses in contracts prevented specific criticism and were ‘explicit restraints upon freedom of expression’ (Staples, 2006, p. 10). Over the lifetime of the Federal Howard Government, its attitude to the independence of the community sector became clearer and clearer as it claimed credit for the services it provided ‘on behalf of government’ (Shergold, 2005).

The Federal Rudd Labor Government has foreshadowed a different position in relation to advocacy and the nonprofit sector, stating explicitly that the sector is ‘well-placed to ensure that “missing voices” are heard and to advocate on behalf of those who are
marginalised’ (Stephens, 2008). Moreover, the Honourable Senator Ursula Stephens, the Parliamentary Secretary for Social Inclusion and the Voluntary Sector, stated on 13 March 2008:

‘The Deputy Prime Minister, Julia Gillard … acknowledged that the previous government had generated an environment of fear and intimidation about advocacy activities. She has … tasked me with identifying clauses in government contracts that prevent groups from undertaking their advocacy role; she has given the sector a commitment that those contracts will be amended.’

It is too early to evaluate the flow-down effect for community services at this stage.

The second issue that threatened the fundamental independence of nonprofit community service was outcome-based funding, the best example of which was the Welfare to Work employment services, once a public service. Both for-profit and nonprofit organisations have successfully tendered for the contracts. This created one of the more successful quasi market-places. For-profit organisations have been regularly accused of unscrupulous strategies for achieving their employment outcomes, including focussing on those clients who are most work-ready, while avoiding the long-term unemployed. For nonprofit services such strategies created significant tensions between the social service missions of the organisations and the economic imperatives of outcomes-based funding (Frumkin & Andre-Clark, 2000, p. 151). Moreover, the contracts included a requirement to financially penalise clients (breaching), on income support, who did not comply with activity tests (Zigarus, 2003). Reducing the income of people already living below the poverty line clearly challenged the social service missions that espouse the eradication of poverty and the achievement of a compassionate and just society (Eardley, Abello & MacDonald, 2001). In 2006 the Catholic Church backed out of its employment services contracts stating that the contractual requirements, particularly breeching, were immoral (The Australian, 2006, 18 August).

The Federal Rudd Labor Government has expressed its concern about the counterproductive effects of the former Liberal government’s compliance system of
breaching. It has foreshadowed developing a compassionate and fair system. However, the current stumbling block is that the ‘current compliance regime is enshrined in legislation and any significant changes will take time to address’ (O'Connor, 2008).

The current funding context for nonprofit community services is clearly complex. It involves government funding, donations, foundation grants, fundraising activities, and commercial activities, to name the more common sources. Morrow, Bartlett and Silaghi (2007, p. 3) found that this complexity led to ‘competing perspectives (that) are not debated and reconciled because there is insufficient capacity (time, money or expertise) to do so’. Moreover, they found that the rate of change in the sector made organisations more reactive than proactive. Frumkin and Andre-Clarke (2000, p. 160) developed a matrix to illustrate the tensions and competing demands in nonprofit organisations. It shows that an emphasis on performance overvalues results in a commercial orientation. An emphasis on values over performance results in a charitable orientation. It is the nonprofit that manages the tension between performance and values, balancing the demands of both without privileging one over the other that is the ‘nonprofit star’.

<table>
<thead>
<tr>
<th>Commitment to performance</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>The nonprofit ‘star’</td>
<td>The charitable nonprofit</td>
</tr>
<tr>
<td>Low</td>
<td>The commercial nonprofit</td>
<td>The nonprofit ‘dog’</td>
</tr>
</tbody>
</table>

**Figure 2.2: Values and performance in nonprofit organisations (Frumkin & Andre-Clark, 2000, p. 160)**
Values underpin many of the issues causing tensions in the relationships between the respective State and Federal Governments and the community sector. The issue of values is one of common understandings and expectations in principle and shifting ground and ambiguity in practice, the basis of which goes back to the end of the Second World War. But before exploring values tension in government and community welfare, it is worth making note of the language and discourse tensions in community services currently. As Foucault (1981) explained, words create, form and frame our values, world-views and ourselves.

### 2.2.12 Language and discourse

Language is the medium of discourse and discourse gives language its power. Discourse is the statements and discussion that makes particular language count about a particular subject matter, representative of a particular school of thought at a particular time in history (Livia & Hall, 1997; Neubert & Reich, 2002; Lavalette & Pratt, 2006).

> ‘It shapes how we see welfare, defines what is and what is not possible and regulates policy and practice. Actions and consequences flow from language.’
> 
> Lavalette and Pratt (2006, p.147)

Cassiman (2008, p. 1697) noted that ‘the neo-liberal discourse has profoundly shaped (or explained the shape of) social welfare policy and continues to do so’. Whilst Cassiman was referring to the USA, the same can be said for Australia.

The shift in discourse from the welfare state to the post welfare state in Australia is evident in Table 2.1 of Jamrozik’s (2005, p.10) with terms such as individualism, privatisation and markets. But, it is not just scholars and people associated with welfare who have noted the shift in discourse. Karen Kissane (2003) a journalist with the Age noted, ‘a world transformed by spiritual values such as compassion for the poor is increasingly being overlaid with the language, structures and goals of business … some even call poverty a market, and welfare an industry’. The business discourse generated in
neo-liberal ‘contractualist’ policies and a competitive ‘quasi marketplace’ that includes for-profit providers, is the cause of some tension and confusion in the sector. Morrow, Bartlett and Silaghi (2007, p. 2) in their research on leadership and management in the social economy found that misunderstandings due to the ambiguous use of business language were commonplace:

‘Most of the research participants from the Social Economy exhibited a narrow concept of ‘business’ and think about it in the form of ‘funding and resources’ from grant makers rather than the broader concepts of organisational processes, systems, and capability. This is a symptom of change through the adoption of business language in the absence of commensurate education to fully inform the meaning behind the words.’

It is not surprising that adoption of business language in welfare and community services is problematic. Business discourse is concerned with administration and measurement (Cassiman, 2008, p. 1696). Welfare discourse is concerned with social and distributive justice. Moreover, the adoption of business language does not reflect changes in practice born out of improvements designed to better achieve service mission and goals. The business discourse in welfare comes from a need to rationalise and explain policy (Cruikshank, 1997). It is top down in its generation, not bottom up. Furthermore, as Cassiman (2008, p. 1694) notes ‘in relation to welfare a construction’s truth is not a prerequisite to discursive domination’. So the dominant business discourse does not necessarily reflect the most suitable paradigm for practice.

Another contributing factor in these tensions is the duality of government discourses. There is the business discourse of funding and contracts that has been addressed in this section, and then there is the rights discourse of human rights based legislation and international covenants to which Australia is a signatory. Fundamental to the rights discourse and legislation are the values of Australian society, which are explored in the next section.
2.3 Government and community values

World War II and the Holocaust was a watershed in terms of human rights. In 1941, the United States President Franklin D. Roosevelt identified four freedoms essential for all people. They are freedom of speech and religion, and freedom from want and fear.

The *Universal Declaration of Human Rights* (UDHC) was adopted and proclaimed by the General Assembly of the United Nations on 10 December 1948 and adopted into force in Australia on the same day. Article 22 of the UDHC states that:

> ‘Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.’

The adoption of the *Universal Declaration of Human Rights* represented the values inherent in Australia’s social democracy and emerging welfare state of the time. Marshall, in the 1950s defined a social citizenship in the UK that resonated with the thinking and emerging social policies in Australia in the three decades after World War II. Inherently, he presented the idea that people have welfare rights as a constitutive element of citizenship which is basic to social democracy and to the welfare state (Marshall, 1950). Moreover, he described citizenship as having evolved through three phases: ‘civil rights (freedom of speech, freedom of the person); political rights (freedom to vote and participate politically); and social rights (embodied in the institutions of the welfare state, such as health and education)’ (Lavalette & Pratt, 2006, p. 125).

By the 1970s, on the back of the American civil rights movement, Australia engaged in active and robust debate on how to create a just society. As a result of the issues raised, government funding was provided to ‘assist unrepresented and poorly represented groups to be heard’ (Staples, 2006, p.7). What is more, Australia continued to pursue the values
of equity and human rights through legislation at federal and state levels. Examples of such legislation are the *NSW Anti-Discrimination Act (1977)* and the *Federal Human Rights and Equal Opportunity Commission Act (1986)*. Furthermore, governments did not just state human rights values in legislation, they were reiterated in policy. In 1996 the NSW Government launched its ‘*Fair Go, Fair Share, Fair Say: NSW Social Justice Directions Statement*’. It was a terminal values statement that outlined four related key principles: equity, access, participation and rights. In addition, it was a whole-of-government initiative.

By the end of the last century, all the Australian States and Federal governments had commenced the shift from social and community services provider to services purchaser as previously described. This required a strategy to secure the central values inherent in government policy into non-government service delivery. In 2006 the NSW Government published a compact between it and non-government human services organisations, called *Working Together for NSW*. It included a section on shared values stating a shared commitment to:

- the principles of equity, access and participation
- the maintenance and further development of an independent, robust and diverse non-government sector
- transparency and community participation in decision making
- trust and respect in partnership arrangements
- delivery of high quality services and the practice of effective community development.

Whilst these values are quite general and relate to a working relationship, they are intended to flow down to the individual government departments which contextualised them in their policy documents. An example of this was the Department of Ageing, Disability and Home Care’s (DADHC) value statement in its *Accommodation and Support Paper*. 
'We are committed to ensuring that older people, people with disabilities and their carers are valued, lead independent lives and have the opportunity to participate fully in community life.'

DADHC, 2007

The NSW Government’s values message was clear and unequivocal, from legislation at the top to implementation through individual Department’s policy statements at the community level. What is more, legislation like the *NSW Disability Services Act (1993)* gave rise to *The Disability Service Standards* which are an interpretation of the principles and applications of principles of the Act. In short, the standards prescribe the benchmark for service provision, below which services risk being defunded.
2.4 Values tension

Australian State and Federal Governments are sending two very strong messages to nonprofit community service providers. The first is the human rights and social justice imperative enshrined in legislation and policy as illustrated above. The second message is the economic imperative that is ever-present in service funding contracts and agreements. To continue with the disability services example, the NSW Department of Ageing, Disability and Home Care (DADHC) illustrates this duality in its 2007 paper on accommodation and support. In terms of human rights and social justice it states…

‘Stronger Together focuses effort in three key areas:

**Strengthening families** to enable children and young people with a disability to grow up in a family and participate in the community.

‘**Count me in**’ with a focus on community inclusion to support adults with a disability to live in and be part of the community.

**Improving the system’s capacity and accountability**, thereby ensuring fairer and clearer ways to access services and providing more opportunities for innovation’.

DADHC, 2007, p. 1

However, in terms of delivering on these key areas and meeting the individual needs of people with disability and their families, the funding formulas are inflexible, limited, ‘one-size-fits-all’ packages. This funding model ignores individual differences and needs. Moreover, as previously mentioned, the funding packages encourage economies of scale in organisations so that overhead costs are minimised. Larger organisations are able to deliver outcomes for individuals more economically and consequently are privileged under this process. The result is less choice in service providers.

In relation to funding, the paper states the ‘new purchasing arrangements for disability services (occurred) through the tendering of places under the Community Participation program. Over 500 applications were received in response to the tender, which was for a set price so that organisations competed solely on the basis of quality and their stated ability to deliver each element of the program’ (DADHC, 2007, p. 3).
This tendering or expression of interest (EOI) process for individualised funding packages is described by government as offering people with disability choice. Such a description echoes from the disability rights movement and reflects the progressive view that the allocation of support dollars should go directly to the person rather than to a service agency, thus empowering the individual to choose and purchase what they need (Dowson & Sainsury, 2000; Lagary, 2002). However such a description clearly misrepresents the reality. The EOI process is a whole-of-government strategy driven by an economic agenda and ultimately, it is DADHC and not the consumer who does the purchasing.

Clearly the messages are mixed reflecting terminal (outcome) social justice values and instrumental (process) neo-liberal economic values. Chapter 3 explores the origins of values and the application of values theory to the nonprofit community service organisation.
Chapter 3: Values

‘If we are to go forward, we must go back and discover those precious values – that all reality hinges on moral foundations.’

Martin Luther King Jr, 1929–68, Baptist civil rights leader in the United States

3.1 Introduction

The central nature of human values has been apparent since the beginning of recorded time. For example a 2000 BC Egyptian tomb has an inscription describing the deceased as someone who ‘had not stolen, been covetous, killed a human being, told lies, committed adultery, or abused a young boy’ (Sharp, 2002, p. 28). The Greek philosopher, Plato formulated the absolute values of truth, goodness and beauty. Among the world’s significant religions there are basic differences in beliefs, rituals and customs. Notwithstanding, there are also large area of agreement around basic moral values, notions of personal virtues, and social group behaviour. These are based on the humanistic values of love and respect for life, brotherhood and connectedness, caring and sharing and faith in mankind to shape our own destiny (Gustavsson, Tripathi & Rao, 1996, p. 2). It is these humanistic values that led to Declaration on Universal Human Rights by the United Nations (1948).

In general, values are over-arching guiding principles that are at the core of attitudes and behaviour (Ajzen & Fishbein, 1980). They inform and influence decisions and actions. Schwartz (1994, p. 21) maintained that values are the ‘response to three universal requirements with which all individuals and societies must cope: needs of individual
biological organisms, requisites of coordinated social interaction and requirements for smooth functioning and survival of groups’. In simpler terms, common values that can be identified in culture, religion, and ethics serve the purpose of moulding the behaviour of members of a group so that they can live together as harmoniously as possible with agreed concepts of right and wrong and, more commonly, conflicting rights (Sharp, 2002, p. 20). The common values and agreed concepts are the social cement of trust essential for collective organising and problem solving (Sharp, 2002).

Since colonisation, it can be argued that for better or for worse, Australian society, although secular, has been dominated by Anglo-Celtic culture and Judaeo-Christian values (Sunderland, 2007; Aspin & Chapman, 2007). Chakroborty (1995, 1998) defined Judaeo-Christian values in relation to their opposites or disvalues, as shown in Table 3.1.

<table>
<thead>
<tr>
<th>Human values</th>
<th>Disvalues</th>
</tr>
</thead>
<tbody>
<tr>
<td>compassion, empathy, care for others, selfless</td>
<td>jealousy, envy, care for self</td>
</tr>
<tr>
<td>giving, sharing, generosity</td>
<td>greed, selfishness</td>
</tr>
<tr>
<td>loyalty, integrity, sincerity, dignity</td>
<td>disloyalty, sly, devious, hypocritical</td>
</tr>
<tr>
<td>belief in equality, fairness</td>
<td>favouritism, nepotism</td>
</tr>
<tr>
<td>transparency, openness, honesty</td>
<td>dishonest, lying, evasion, secrecy, deceit</td>
</tr>
<tr>
<td>friendship, warmth, forgiveness</td>
<td>enmity, disregard for others</td>
</tr>
<tr>
<td>joyful, pleasant, happy</td>
<td>miserable, joyless, unpleasant, vindictive</td>
</tr>
<tr>
<td>respectful, humility, modesty</td>
<td>disrespectful, arrogant, proud, vain, sycophantic</td>
</tr>
<tr>
<td>peaceful, content, gentleness</td>
<td>angry, hateful</td>
</tr>
<tr>
<td>patience, thoughtful</td>
<td>impatience, dismissive, impetuous</td>
</tr>
<tr>
<td>courage, character</td>
<td>cowardice</td>
</tr>
</tbody>
</table>

**Table 3.1: Judaeo-Christian values and disvalues**

*(Chakroborty, 1995, 1998)*
Values operate at both an individual and a social group level. Similar values and attitudes are often held by people who live together in the same house or community of choice and by people in the same occupations, or those who grew up in the same generation in the same culture (Cohen, 1996; Rogler, 2002). What is more, organisations can have values. As previously identified, nonprofit community services are such ‘values expressive’ organisations. They have clearly espoused organisational values established by the founding members. These values attract donors, volunteers and employees who hold similar values that they want to enact through being part of the organisation’s work. In this chapter values are explored from the individual and organisational perspective.
3.2 Individual values

Viktor Frankl (1969) maintained that human beings have a ‘will to meaning’. We are pushed by drives such as power (Adler, 1992) and sex (Freud, 1990) but we are pulled by meaning. Moreover, it is this pull for meaning that is behind the free will to choose to develop certain values.

Values are beliefs with an evaluative component to them: a judgement or feeling that something is good or bad or moral or immoral. They tie the individual both cognitively and emotionally to their whole social world. Furthermore, they guide the individual in judging the appropriateness of entire categories of actions (Grey, 2007, p. 490).

Values are acquired mainly through learning. At one level the learning can be ‘automatic involving no conscious thought’ while at another level it can be ‘highly controlled involving deliberate searches for relevant information and rational analysis of that information’ (Grey, 2007, p. 490). The values that are adopted in childhood are done so because they are offered by important people in the child’s life and because the child has a strong need for relatedness (Reeve, 2005, p. 105). These values are then internalised or not. Internalisation is a voluntary act. It is the exercising of free will to choose certain values externally prescribed by others or society. These are then transformed into the internally endorsed values of the individual (Ryan, Rigby & King, 1993). Integration follows. This is the process whereby internalised values are fully integrated into the larger existing value system of an individual. It requires self reflection and examination. It allows the individual to be able to think, feel and behave in new ways that are unconflicting and congruent (Ryan & Deci, 2000).

Values are central to motivation and meaning in life. Baumeister and Vohs (2002) suggest that motivation and meaning in life develop out of three things: purpose, values and efficacy. Purpose is related to future-orientated goals. Values are the individual’s sense of right and good. When an individual’s actions are congruent with their values, a sense of goodness is affirmed. Efficacy is having a sense of personal control or
competence because it enables an individual to believe that they can make a difference and change their environment, both big and small (Baumeister & Vohs, 2002).

Creating meaning is a dynamic process. A person interprets experiences in their lives and finds some significance in those experiences. Meaning is therefore the combination of experiences and the critical reflection on those experiences through the lenses of purpose, values and efficacy (McAdams, Diamond, de St. Aubin & Mansfield, 1997).
3.3 The study of organisational values

Nietzsche, the philosopher, maintained that all interpretation is necessarily mediated by perspective. This makes analysis unavoidably laden with a level of subjectivity such as biases, presuppositions and values (Hoenisch, 2002, p. 5). It follows that, within an organisation, structures, process and decisions, however objectively reached, are still mediated by an organisational perspective, whether explicitly stated or implied through precedents and behaviour. This perspective represents the organisation’s values.

Organisational values communicate what is considered to be important (Hitt, 1988). Conklin, Jones and Safrit (1992, p. 1) stated that an organisational value is any concept or idea that is prized by the members of an organisation and that forms the basis of the organisation’s philosophy, processes and goals. One of the signs of an organisation’s health is the degree of congruence between the organisation’s values and the behaviours of its members (Seevers, 2000, p. 71).

The understanding of organisational values has predominantly emerged from the disciplines of psychology and sociology; however the perspective that political philosophy can give to organisational values appears to be more and more relevant to the context in which nonprofit organisations find themselves operating today.

3.3.1 Psychological theory of organisational values

Rokeach’s (1960, 1973, 1979, 1984) work on values has psychological origins; however it equally emphasises the societal context in its analysis and application. He defines values as ‘generalised, enduring beliefs about the personal and social desirability of certain specific modes of conduct or end-states of existence’ (Rokeach, 1979). He identifies two distinct groups of values – instrumental and terminal. Instrumental values are those that influence conduct and behavioural characteristics which are seen as socially desirable. In contrast terminal values influence the desired end states or ultimate forms of existence that are idealised (Debats & Bartelds, 2003). In short, instrumental values can be seen in terms of desirable process and terminal values can be seen in terms of
desirable outcomes. Whilst Rokeach’s work focusses on the individual in a societal context, it has also been applied and used extensively in work on organisations and organisational culture (Stackman, Pinder & Connor, 2000; Rose, Kahle & Shoham, 2000; Sagiv & Schwartz, 2000).

Sunder (2003) provides a simple definition of organisational values. He describes them as an organisation’s core ideals and beliefs: ‘These are principles that are considered intrinsically important and serve as a frame of reference for organisational decisions.’ Moreover he makes the point that values exist within an organisation whether they are formally articulated as such or not. They can be found in the mission and vision statements and policies and practices of the organisation. These are the organisational artefacts and espoused values identified by Schein (1990) in his work on organisational culture and illustrated in Table 3.2.

<table>
<thead>
<tr>
<th>Artefacts</th>
<th>Visible organisational structures and processes (hard to decipher)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Espoused Values</td>
<td>Strategies, goals, philosophies (espoused justifications)</td>
</tr>
<tr>
<td>Basic Underlying Assumptions</td>
<td>Unconscious, taken for granted beliefs, perceptions, thoughts, and feelings (ultimate source of values and action)</td>
</tr>
</tbody>
</table>

Table 3.2: Schein’s Levels of Culture (Schein, 1990, p. 112)
Schein (1992) made the distinction between espoused values and lived, or enacted, values (Brown, 1998). Espoused values are identified as important to the organisation and presented within and outside the organisation as core values. They support the mission and are a focal point for actions. Espoused values are often enshrined in an organisation’s public documents. They are what the organisation ‘says’. Enacted values are what the organisation ‘does’. They are the values implied and demonstrated in the actions and decisions of individuals on behalf of the organisation.

Schein maintained that both espoused and enacted values are central to organisational culture. He described organisational culture as customs and rights and the organization’s ‘own way’. It is the organisation’s norms, values, behaviour patterns, rituals and traditions that arise from its shared history and adaptation (Schein, 1990). Trice and Beyer (1993) went one step further emphasising the importance of powerful individuals, such as organisational founders, leaders and heroes in transmitting and maintaining the values of the organisation.

Ideally espoused and enacted organisational values should align but in reality this is not always the case (Keyton, 2004, p. 61). Lenocioni (2002) found that in organisations where the espoused and enacted values were different, employees interpreted the espoused value statements as empty, which in turn undermined the credibility of management. What is more, overall the employees became cynical and dispirited.

Values alignment is two tiered. There is the alignment between the espoused and enacted organisational values described above and there is the alignment between the employee’s and the organisation’s values. Studies on values alignment between an organisation and its employee have found that the benefits of alignment are immense. It contributes to employee commitment and identification with the organisation, job satisfaction, retention and employee cohesion to name a few (Sullivan, Sullivan & Buffton, 2002; Dearlove & Coomber, 1999; LeMon, 2000; Kouzes, 2003).
3.3.2 Sociological theory of organisational values

The sociological groundings of organisational values are found in the work of Max Weber (1864–1920). In Weber’s work on methods for studying society he tackled the question of values and their relationship to and role in an objective social science. Essentially Weber advocated a value fact dichotomy. He stated that every individual has his or her own moral code or values that cannot be completely abandoned. These values or moral principles have a contingent nature: on the one hand they are a product of a class and social strata such as ‘true democracy’ and ‘citizenship’ and on the other they are deeply personal, full of emotion, faith and mystification (Lassman & Speirs, 1994, p. 76; Hoenisch, 2002). Weber presumed that values are ‘derived from the metaphysical commitments that define one’s general outlook’ (Portis, 1986, p. 15). They are linked to the heart – to subjectivity – as much as they are linked to the head (Hoenisch, 2002).

In terms of modern society and organisations, Weber described two rationales or reasons for actions. The first was wertrationell or substantive rationality. It is intrinsically rather than instrumentally valuable: an end in itself rather than a means to some further end. It ‘entails the absolute values that inform goals and the ethical, political, utilitarian or other bases of judgements’ (Webb, 2006, p. 21). The second was zweckrationell or formal, instrumental rationality. It is the reason for whatever course of action best achieves the means to one’s end (Brubaker, 1984, p. 54). It ‘entails the calculation of the most expedient means to achieve predefined goals’ (Webb, 2006, p. 21).

Weber stated that the substantive rationale was the value orientation and could not be proved scientifically or objectively evaluated. However, once the substantive rationale was identified and acknowledged then the formal or instrumental rationale could be objectively evaluated. Weber could see the problem with this, which was that the instrumental rationale could become the dominant feature in society and organisations. In this case, substantive rationality would be ‘subordinated to the power of technical reason and systems of monetary calculation’ (Webb, 2006, p. 22). He predicted that in the end all decisions would come down to some ‘cost-benefit analysis’ – that the instrumental expertise and efficiency with which ends can be achieved would override other values.
making instrumental rationality valued as an end in itself. Weber foreshadowed that this would herald a new sort of organisational identity: ‘that of the expert without spirit, psychically imprisoned by techniques of rational calculation’ (Webb, 2006, p. 22; Taylor, 1992).

Weber, like Nietzsche, believed that objective judgements were nearly impossible to make because everyone has a moral code or perspective that can never be completely discounted or ignored.

Weber identified the damage inherent in failing to examine and openly acknowledge one's values. Moreover, he identified an even greater danger in ‘falling prey to the delusion that the analyst can evaluate social facts completely independent of own values’ (Hoenisch, 2002, p. 5). He summed up this position in his essay The Nation State and Economic Policy: ‘We in particular succumb readily to a special kind of illusion, namely that we are able to refrain entirely from making conscious value judgements of our own’ (Lassman & Speirs, 1994, p. 19). In keeping with these views, Weber identified his own wertrationell or substantive value, as a fundamental concern with ‘the quality of human being in any given economic and social order’ (Lassman & Speirs, 1994, p. xi). His zweckrationell or instrumental rationality varied at different times. Sometimes it was nationalistic at other times he championed individual liberty (Webb, 2006, p. 21) evaluating each as objectively as possible against his substantive value.

Finally, Weber saw enormous benefit in competing values because ‘the tensions between competing values are essential in order to prevent cultural stagnation’ (Lassman & Speirs, 1994, p. xviii). This idea of the benefit of more than one set of values is a theme in the work of the political philosopher Isaiah Berlin (1909–97) and contributes to the understanding of organisational values particularly in community services.
3.3.3 Political philosophical theory of values

‘The most difficult political choices are not between good and bad but between good and good.’

William Galston, former policy advisor to President Clinton, 2002

In terms of values and political philosophy there are two opposing positions; moral monism and value pluralism. Moral monism holds that ‘all ethical questions have a single correct answer and that all these answers dovetail within a single, coherent moral system. Such a system will be dominated by one value, or small set of values, which overrides or serves as a common denominator for all others’ (Crowder, 2003, p. 2). There may be many errors, there may be many opinions, but in any field, there is always and only one truth. In one form or another moral monism underpins the ideas of Plato, Rousseau, Hegel, Kant and Marx. Berlin, one of moral monism’s greatest critics believed it was the basis for political authoritarianism and in the end the totalitarianism of the twentieth century (Crowder, 2003, p. 2).

Berlin advocated value pluralism. It is the view that there are multiple and conflicting ideas of good that require complex political and ethical responses. There is no single, superior value that embodies total rightness and thus can take precedence over any other competing values. It is not possible to place competing values into a common scale to determine which is superior. Instead, value pluralism recognises that different values can be of equal merit and importance and be mutually exclusive resulting in irresolvable conflict (Grey, 1996, 2000). For example, at a political level, Keynes’ social democracy and Hayek’s economic liberalism are two valuable and legitimate approaches to governing. History shows that they have both achieved results. Nonetheless, they are fundamentally opposing in nature and application.

As previously mentioned, value pluralism originated as a political philosophy. Since then it has been applied widely and most commonly to moral and ethical values (Mason, 2006). Nonetheless, much of life is full of complex and difficult choices, and value
pluralism reflects this reality accurately (Crowder, 2004). In the following example value pluralism is applied to the values inherent in operational decisions in nonprofit community services. These are the value of social justice and the value of economic success. Both may appear to cohabit with equal merit in a multifunctional community service. However, when an operation of that service, that meets the needs of the service users in the only way possible, is deemed to be economically unviable, a choice is required. Continuing that particular operation meets the organisation’s social justice values, closing the operation meets the service’s economic values; both equally central and equally critical to the organisation.

3.3.3.1 Incommensurability

Berlin (1997, pp. 213–14), the political philosopher, said:

‘The world that we encounter in ordinary experience is one in which we are faced with choices between ends equally ultimate, and claims equally absolute, the realisation of some of which must inevitably involve the sacrifice of others.’

This is the concept of incommensurability that is defined by John Grey, quoting Joseph Raz, (1996, p. 50), as:

‘Two valuable options are incommensurable if (1) neither is better than the other, and (2) there is (or could be) another option which is better than one but is not better than the other.’

Grey (2000, p. 35) describes three kinds of incommensurable values. The first refers to incommensurable goods that cannot be traded off against each other in a given culture. The example he uses is friendship and money. If one individual charges another for friendship, by definition it is not friendship, because part of friendship is that it cannot be bought unlike the relationship one may have with a psychotherapist or a sexual partner. This is not to say that friendship has ‘better’ or ‘higher’ value than money but simply that friendship and money are incomparable.
The second kind of incommensurable values occur when ‘the same good is differently interpreted in different cultures’ (Grey, 2000 p. 35). The example Grey gives here is art works. It is possible to attribute relative value to works within the same genre such as the Mona Lisa in Renaissance painting or the Wucai Jar in Ming porcelain ceramics. However it is not possible to determine that the Mona Lisa has more value than the Wucai Jar because they are too different and incomparable.

The third kind of incommensurable values are virtues that are ‘honoured’ or valued differently in different cultures. Grey draws attention to virtues that are common to different cultures but that may be considered virtuous by some culture and a vice in others. The example he uses to illustrate this is the difference between the virtue of ‘heroic excellence’ venerated by Homer in *The Iliad* and the virtue of ‘loving kindness’ extolled by Jesus in his *Sermon on the Mount*. Heroic excellence requires one to surpass the efforts of others and be recognised for such. Loving kindness is the antithesis. It is ‘turning the other cheek’, seeking no return except knowledge that it is right in the eyes of God. Another example that Grey uses is that of the ‘profoundly compassionate’ person who at the same time is unable to be dispassionately just. This example is particularly interesting because compassion and dispassionate justice are qualities that are valued equally in many cultures. Furthermore, in many circumstances, they are considered to be desirable together. Take the area of criminal justice: both compassion and dispassionate justice are essential components in an effective system. Yet ultimately, at the point of a decision, when the law has been broken, one must take precedence over the other. They become incommensurable. It is the basis for much of the contention that exists with the legal decisions in this area of the law.

There are parallels between the ‘compassion and dispassionate justice’ example and the importance of economic success and social justice in community services. Clearly a service needs to be economically sustainable. Moreover and ostensibly, the greater a service’s economic success the greater the service’s range of options in terms of programs. At the same time, the fundamental purpose of a community service is its social justice mission. That is why it exists in the first place. Whilst for the most part the economic and social justice values coexist in a continuous balancing act, inevitably there
are decisions that require one value to take precedence over the other and they become incommensurable. This takes us back to the initial example of the multifunctional community service that is faced with a decision about the future of an essential programme that is economically unviable.

The tension between economic sustainability and the social justice purpose of a community service is not new. It has existed since services began. Moreover, as identified in Chapter 2, this tension is particularly evident in government where there is legislation that embodies our human rights and protects the most vulnerable and also provides a continuous spotlight on economic performance. At the level of the individual voter, public opinion surveys reflect a preference for improving public services to tax cuts (Wilson & Breusch, 2003), yet at a global level there is the ever present concern that countries not embracing neo-liberalism will be ‘crushed by the thundering herd’ of global financial markets (Friedman 1999).

Berlin left the dilemma of making a choice between incommensurable values largely unresolved. At the political level Crowder (2002) suggests that making difficult choices requires a general framework onto which a society can attach its specific policies. At a moral level, Aristotle’s practical wisdom has been applied (McDowell, 1979; Nagel, 1979; Larmore, 1987; Skorupski, 1996; Wiggins, 1997, 1998; Chappell, 1998; Swanton, 2003). This is described in the following section.

### 3.3.3.2 Practical wisdom

‘Provided one has taken the process of practical justification as far as it will go in the course of arriving at the (value) conflict, one may be able to proceed without further justification, but without irrationality either. What makes this possible is judgment — essentially the faculty Aristotle described as practical wisdom, which reveals itself over time in individual decisions rather than in the enunciation of general principles.’

Nagel, 1979, p. 135
Practical wisdom is not just a collation of the facts. It is a depth of understanding and insight that sees the relativity and relationships among things with an acute sense of the whole. It takes into account that no two real-life situations are ever identical. Consequently, whilst it is important to consider applicable rules, principles, conventions, precedents and the interests of people affected; it is equally important to judge a situation on its individual merits, features and circumstances. Practical wisdom is the ability and capacity to decide what it means to do the right thing in the right place at the right time.

Stocker (1990) identified two types of plural and incommensurable value conflicts requiring practical wisdom in the choice. The first is a choice about doing things at different times. He argues that goods can have different values in different temporal situations. The second is when the goods have quite different advantages and disadvantages. Consequently the chosen option may be judged better but it does not ‘make up for’ the lesser option (Mason, 2006). Consequently it is reasonable and rational to have regret at an outcome of a correct choice (Stocker, 1990; Williams, 1973, 1981). The regret reflects the genuine conflict in values and the practical wisdom involved in the choice.
3.4 Organisational values: for-profit, nonprofit and government organisations

In this final section on organisational values it is useful to explore briefly the basic values of the different sectors and the interplay between them. There are fundamental differences between the sectors in philosophy, the legal basis for service, accountability and income generation and distribution. These differences both determine the basic terminal and instrumental values. Table 3.3 briefly outlines these differences.

<table>
<thead>
<tr>
<th></th>
<th>Government</th>
<th>For-profit business</th>
<th>Nor-for-profit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Philosophy</strong></td>
<td>Justice</td>
<td>Profit</td>
<td>Charity</td>
</tr>
<tr>
<td><strong>Legal basis for service</strong></td>
<td>Rights</td>
<td>Fee for service</td>
<td>Gratuity</td>
</tr>
<tr>
<td><strong>Accountability</strong></td>
<td>To the electorate via a legislative body</td>
<td>To owners</td>
<td>To the constituency via the Board of Directors</td>
</tr>
<tr>
<td><strong>Income source and distribution</strong></td>
<td>Taxes derived for the benefit of the ‘whole’</td>
<td>Payment for goods &amp; services for benefit of company shareholders</td>
<td>Contracted funds, raised funds, grants, donations and generated income for the benefit of those in need</td>
</tr>
</tbody>
</table>

Table 3.3: The formal differences between government, for-profit business and nonprofit community services sectors

Adapted from Kramer (1990)
3.4.1 Government values

The terminal values of the Howard Coalition government were essentially: free enterprise, support for the business community, individual choice, reward for individual effort, federalism, smaller government, defence, the family and a limited welfare safety net. They are summarised by the Liberal Party: ‘in short, we simply believe in individual freedom and free enterprise’ (Liberal Party, 2008). The instrumental values were those of neo-liberalism as outlined in detail in Chapter 2. These can be summarised as ‘the market’ which is central in the governing of economic, social and political life. Competition is the basis of the market and the belief is that it achieves the most efficient and effective methods for getting results. Moreover, the opportunities and wealth created through ‘the market’ ultimately benefit everyone. In short, the rising tide of capitalism lifts all boats.

Neo-liberalism draws heavily on neo-classical economics which purports to be value neutral. This is not the case. It takes the value of freedom for granted with free choice and free exchange leading to efficient markets (van Staveren, 2001). The natural counter-values to freedom are justice and care. The unbridled pursuit of freedom may have significant benefits for some but it also inevitably has negative consequences for others. The pursuit of wealth and justice was central to the concerns of John Rawls in *A theory of justice* (1971). He asks the question: Can the poor suffer for the cause of a Pareto (80% of wealth is owned by 20% of the population) superior utility gain, the sum of which may benefit only or mainly the rich? He maintained that social and economic inequalities are just only if they result in compensating benefits for everyone, particularly the disadvantaged. Evidence identified in Chapter 2 suggests that this was not the case in Australia under the Howard Coalition government where, it appeared that the rich got richer and the poor got poorer. As for care, economists and sociologists alike have recognised its relevance to economics in terms of consumption, unemployment, the environment and unpaid caring labour, to name just a few (Folbre, 1994; Frank, 1988; Grace, 2006; Sen, 1981: Tronto, 1993).
3.4.2 The for-profit sector values

‘A business that makes nothing but money is a poor kind of business.’
Henry Ford, 1863–1947, American industrialist

In examining the values of for-profit organisations it is essential to first recognise that the social justification for the existence of for-profit organisations is the sales of products and services and that consequently for-profit firms attend to customer preferences. Moreover, the principal worth of a for-profit firm lies in its financial returns delivered to shareholders and the appeal and quality of the products and services delivered to customers (Moore, 2000). The core value base is economic whether expressed explicitly or implied. An example is Macquarie Bank’s statement that is committed to being a market leader (Moss, 2001), emphasising the centrality of its economic performance.

Nonetheless, there has been a history of a broader role and responsibility in the building of better communities which can be seen in the philanthropic endeavours of Foundations such as Ford and Kellogg and in Australia the Myer Foundation. However, these foundations remain independent of the companies and thus allow the companies to engage in activities that pursue best business practices, which in numerous circumstances, are incongruent with the purpose and values of the philanthropic foundations.

In recent times with growing globalisation, there has been exposure of environmental disasters like the Exxon Valdez oil spill in 1989, the bankruptcy scandals of companies like Enron in 2001 and the exploitation and abuse of workers in developing countries by large corporations like Nike in Indonesia in 2001. This has increased community pressure on organisations for evident social responsibility that is both instrumental and terminal.

In Australia the company RepuTex, which specialises in reputation research, evaluation and measurement is evidence of the community’s growing demand for social responsibility and businesses’ response to it. For example, in 2007 RepuTex and Macquarie Bank signed a Memorandum of Understanding to develop Australia's first carbon integrated listed equities fund (RepuTex, 2007) and in 2008 RepuTex and KPMG
collaborated to develop a tangible view for companies of the potential cost and impact of the Carbon Pollution Reduction Scheme on their bottom line (RepuTex, 2008).

Examining the types of values espoused by for-profit organisations reveals three distinct groups, described in turn below.

The first group of organisations espouses values that are directly and exclusively related to the quality of its particular product/service. An example of this is Virgin Blue Airlines. Virgin Blue make the statement that their name: ‘... represents our goal to prove to Australia how true blue we are about delivering low fares. We'll never compromise on what's essential: experienced pilots, qualified ground personnel and maintenance that's nothing short of top-notch’ (Virgin Blue, 2003). Its focus is being the best at what it does.

The second group of organisations are increasingly keen to demonstrate their corporate values through ‘triple-bottom line reporting’. This includes memberships of environmental business networks and corporate social responsibility programs. Triple-bottom line reporting enables the organisation to market its values and programs to increasingly well-informed staff, customers and community (Weston, 2002). The banks are typical members of this group. They publicise their philanthropic endeavours that include employee community contribution programs and philanthropic foundations. This is designed to offset the impression of greed that their profits can give.

The third group of organisations is part of the ‘Fourth Wave’ corporations (spiritual intelligence) that see their role as one of stewardship for the whole – leaders in addressing global issues and focussing on what’s best for all (Maynard & Mehrtens, 1993). The term is an extension of Alvin Toffler’s descriptions of economic evolution. The First Wave was the agricultural revolution, the Second Wave was the industrial revolution and the Third Wave was the informational revolution and economy.

One of the primary activities of Fourth Wave corporations is identifying global and local community needs such as poverty, climate change and human rights abuses. Then, as citizens of the world, Fourth Wave corporations address these as part of their operational
strategy. Their focus is on the customer and the community (Maynard & Mehrtens, 1993). The Body Shop is a global example of one of these organisations. It is a cosmetics and toiletries manufacturer and retailer. However it describes itself far more broadly: ‘The Body Shop is an activist organisation committed to social and environmental justice on a local and global level. This goes way beyond “corporate social responsibility”. For us, our success in contributing to the common good is just as important as making a buck. We aren’t perfect but we strive to continually improve and live out our values every day’ (The Body Shop, 2008).

As a broad generalisation it can be said that, when it comes to corporate social responsibility, this is not the primary core business of the for-profit organisation. Making a profit and market performance is the primary purpose. Nonetheless corporate social responsibility denotes a particular orientation to the community that is perceived to be values based and value adding to core business.

This does not mean that it is an easy transition for a for-profit business to move into an industry that traditionally has been the domain of government and nonprofit community service providers. As described in Chapter 2, nonprofit organisations have a social justice values base. Their selfless value motive is comparable to a for-profit business’s profit motive. The selfless value motive allows constituents to support nonprofits without questioning ulterior motives or feeling exploited.

A for-profit business in a community services industry may have values statements that reflect social justice, compassion and care. Notwithstanding, ultimately the overriding and uncompromising core purpose of the business is economic, that it making profits. As Milton Friedman, the architect behind the neoliberal shift in economic policies said

"few trends could so thoroughly undermine the very foundation of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their shareholders as possible."

Cadbury, 1988, p. 4
There will always be an inherent conflict for for-profit businesses in community services because of their need to make a profit. Any resources/profits not returned to the operation of the services inevitably reduce the potential quality and range of those services. For-profit businesses in community services unavoidably privilege shareholders’ interests over service users’. Thus by definition such businesses are not the best vehicles for fulfilling a social justice values-based mission. In fact it is probably easier for a nonprofit with its social justice values-based mission to engage in a for-profit enterprise as a revenue generating activity. This is because it can avoid compromising its values simply by steering clear of revenue-generating projects antithetical to its mission.

3.4.3 The nonprofit sector values

‘Society is defined by how we deal with our weakest links.’

Peter Samuelson, founder of the Starlight Children’s Foundation

Much has been said in Chapter 2 about nonprofit values. They are central to nonprofit community services organisations (Lyons, 2001, p. 22). Espoused and enacted, instrumental and terminal, socially responsible values are these organisations’ core business. Their values distinguish the nonprofit sector from for-profit businesses and government (Jeavons, 1992); they are one of the central reasons why people choose to work and volunteer in nonprofit organisations (Onyx, 1998) and they are the reason donors give, benefactors leave bequests and philanthropic foundations fund them (Bryce, 1992, p 82; Fremont-Smith, 1965; Oster, 1995, pp. 139–43). The nonprofit values motive can be likened to the profit motive of for-profit businesses. Just as for-profit businesses cannot afford to take their eye off their profits lest their business suffers, neither can nonprofits afford to take their eye off their values lest the organisation and its services suffer.

Nonetheless, as explored in Chapter 2, neo-liberal funding regimes have applied economic pressures to nonprofits that have resulted in changes in organisations, service
delivery and attitudes. Many nonprofit community services find themselves in a situation where their social justice values reflect the philosophy and values of social democracy and their operations reflect the requirements and values of neo-liberalism. The differences in approach between neo-liberalism and social democracy and the differences they reflect in the underlying values are summarised in Table 3.4.

<table>
<thead>
<tr>
<th><strong>Neo-liberalism</strong></th>
<th><strong>Social Democracy</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• viewing the community service organisation as a business and the sector as a competitive market place</td>
<td>• viewing a service for community capacity building</td>
</tr>
<tr>
<td>• taking an individualistic view of the organisation as an independent entity</td>
<td>• taking a collaborative and interdependent view of the sector as a whole</td>
</tr>
<tr>
<td>• aiming for growth and economies of scale</td>
<td>• aiming for diversity in size and type to meet the variety of community needs</td>
</tr>
<tr>
<td>• appreciating common measures applied to all inputs and outputs</td>
<td>• implementing individual measures for specific services and service users – inputs, access, process, outputs and outcomes</td>
</tr>
<tr>
<td>• viewing services as a commodity to be purchased and delivered</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.4: Neo-liberal and Social Democratic approaches to community services

As previously mentioned, the tension between the social service mission of a nonprofit community service and its economic viability is not new. However what has not been explicitly stated is that there are values at play in the economic direction and decisions that an organisation takes. To illustrate the differences in economic values at work, Table 3.5 takes a hypothetical service in a common everyday context and identifies the economic imperatives, the options and the values that could influence the decision on which strategy to adopt.
<table>
<thead>
<tr>
<th>Service</th>
<th>Accommodation service for adults with intellectual disability</th>
</tr>
</thead>
</table>
| **Context** | • Annual individualised funding packages that:  
  o reduce flexibility to cross-subsidise within the organisation  
  o do not account for variations in support over time  
  o do not allow for funds for systemic advocacy or pilot initiatives |
| **Imperatives** | • Increase in flexibility of resources |
| **Options** | • Increase organisational size and gain economies of scale by:  
  o diversifying services and tendering for any government contracts available  
  o amalgamating with another like service  
• Increase resource base whilst remaining the same size by:  
  o seeking local corporate sponsorship  
  o applying to foundations for seeding monies for a fundraising and volunteer coordinator position/s  
  o restructuring the existing organisation to create a fundraising and volunteer coordinator position/s  
  o seeking volunteer/s for specific projects through volunteer brokers such as ‘good company’ |
Values that influence the option decision

- Viewing the organisation as a business and the sector as a competitive market place, thus valuing growth and economies of scale because of the security and market share that size provides. Moreover size provides career opportunities for staff and potentially enhances staff retention. Any loss of identity, responsiveness, consistency and quality in provision due to size is viewed in terms of opportunity cost.

- Viewing the organisation as a service to the individual service users and their families as well as a member of an immediate community. Consequently size is critical and small ensures that all staff know all service users and their families and vice versa. There is strong consistency and quality in provision. The decision-making locus is in immediate proximity to the service provision and service users and consequently is quickly responsive. There is an established identity with the local community in which the service resides and operates so local networks provide additional social support. Nonetheless, it does require a constant and concerted fundraising approach that carries with it some economic uncertainty.

<table>
<thead>
<tr>
<th>Values that influence the option decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Viewing the organisation as a business and the sector as a competitive market place, thus valuing growth and economies of scale because of the security and market share that size provides. Moreover size provides career opportunities for staff and potentially enhances staff retention. Any loss of identity, responsiveness, consistency and quality in provision due to size is viewed in terms of opportunity cost.</td>
</tr>
<tr>
<td>• Viewing the organisation as a service to the individual service users and their families as well as a member of an immediate community. Consequently size is critical and small ensures that all staff know all service users and their families and vice versa. There is strong consistency and quality in provision. The decision-making locus is in immediate proximity to the service provision and service users and consequently is quickly responsive. There is an established identity with the local community in which the service resides and operates so local networks provide additional social support. Nonetheless, it does require a constant and concerted fundraising approach that carries with it some economic uncertainty.</td>
</tr>
</tbody>
</table>

**Table 3.5: Economic imperatives, options and values that influence strategic direction in a hypothetical nonprofit community service**

The values illustrated in Table 3.5 are quite separate to the social justice organisational values. It shows that nonprofit community service organisations operate in a value plural context. What is more, whilst these values may coexist harmoniously in the main, there is the potential for them to come into conflict in a decision and to find that they are incommensurable. Furthermore as Table 3.5 illustrates, in the final analysis each option will carry with it a downside and an element of ‘regret’.
3.5 Organisational values and human resource management strategies in nonprofit community services

‘I believe a person of action ... an administrator if you will, should put more weight on contemplation, should put more weight on establishing values in his mind, establishing goals and objectives for himself, for his organization and those he's associated with.’


The literature suggests that managing the tension in a value plural environment where more than one set of values is operating, requires more than just skills and knowledge. It requires practical wisdom. Moreover, the literature suggests that practical wisdom is gained through experience and a mindful understanding of potential incommensurability, and is demonstrated through individual decisions over time. Clearly, for a nonprofit organisation to equip itself to manage this environment best, the right personnel capable of exercising practical wisdom are key. This is particularly the case for personnel in management positions making decisions that draw on values. Figure 3.1 is a conceptual framework for viewing the tension, contradictions and incommensurable values in nonprofit community services and exploring their relationship to the recruitment and selection of managers.
Figure 3.1: Contextual framework for considering the impact of incommensurable values on the HR policies in nonprofit community service organisations
The framework starts with the original purpose/mission and values that lead to the establishment of nonprofit community service organisations. These are the same motivation and values that lead to enacting social justice and human rights legislation at the government level. In implementation, at the government level neo-liberal values and economic policies determine funding strategies. At the community service organisational level these values and policies need to be managed with the original social justice values and mission. The tension is evident at this point. It is here that the recruitment strategy is critical. At one level the government funders are looking for particular types of managers that deliver on contractual agreements and outputs. At another level there are service standards to meet and stakeholder trust and expectations to honour. From the organisational perspective, obtaining the skills and knowledge mix is important as is securing the manager with the experience to have developed and be able to demonstrate practical wisdom in order to manage the complexities of the value plural environment.

There are clear implications here for the nonprofit sector. The first is in terms of understanding and managing its unique operating context. The second is in terms of its identity as value-based and its separateness from government and for-profit business. The third is in terms of careers – keeping and developing the people who choose to work in community services, who, with experience, will develop the skills, knowledge and practical wisdom required.

Chapter 4 will explore the literature in careers, particularly nonprofit careers.
Chapter 4: Careers

‘You got to like your work. You have got to like what you are doing, you have got to be doing something worthwhile so you can like it... because it is worthwhile, that it makes a difference, don't you see?’

Harland Sanders, 1890–1980, founder of Kentucky Fried Chicken (KFC)

4.1 Introduction

In unpacking the research question on the role of organisational values in the recruitment and selection of nonprofit managers, it is clear that focussing on managers raises the issue of careers. Moreover, it raises the issue from both the organisational and the individual perspective.

As explored in Chapters 2 and 3, nonprofit community service organisations are described as values expressive in that their mission and purpose are values based. Furthermore, employees choose nonprofit community services because of the values and the intrinsic satisfaction gained from working in that sector. In fact, employees are the greatest resource that community services have. Maintaining the quality of that resource requires attention to the working environment and the career opportunities available to staff within the organisation and the sector at large.
4.2 Individual focus

To take the individual perspective first, the majority of research addresses differences in opportunity, inclination, motivation and career patterns. Much of the literature has a psychological focus; however there has been some literature that has looked at the individual in the social context of work.

Many of the original theories of careers with an individual focus have their origins in psychology and the theories of personality (Sharf, 1997). These theories were advanced post World War II during a time of relative stability and prosperity. Their focus was to understand the individual and the nature of careers for the purpose of career counselling and guidance. It meant that in the early years there was little attention given to diversifying influences of race, culture, gender, education and socio-economic circumstances. The unidentified subject was white middle-class male. This was not and is not representative of the employees in the nonprofit sector. Nonetheless, some of the findings as far back as the 1950s resonate with the profile of nonprofit workers today. For example, Ginzberg, Ginzberg, Axelrad and Herma (1951) theorised that vocational choices were influenced by four factors:

- reality
- education
- emotions
- values.

Moreover, they recognised that career choices were part of a developmental path that started in the pre-teen years. Whilst there are many paths that lead employees to the nonprofit sector, values is a common denominator. Additionally those workers who choose tertiary courses such as social work, youth work and rehabilitation when they leave school commenced their paths to the sector in their youth.
Super (1953) advanced the developmental path and defined six life and career stages:

- crystallization from age 14 to 18 years
- specification from 18 to 21 years
- implementation from 21 to 24 years
- stabilisation from 24 to 35 years
- consolidation from 35 years
- readiness for retirement from age 55 years.

Super maintained that, during these stages, individuals continued to successively refine their self-concept(s) and their application to the world of work. This allowed them to adapt in their career choices. The relevance of the prescriptive nature of Super’s life and career stages is questionable today. Adolescence is being redefined up to age 24 (Kipke, 1999, p. 6). There is no longer a mandatory retirement age and older workers are being encouraged to stay longer in the paid workforce (Munnell & Sass, 2008). What is more, it is commonly predicted that in the foreseeable future a worker will change careers between three and eleven times.

In 1957 Alvin Gouldner took a contextualised perspective on workers and conducted a study of latent social roles in the work place. In this study he identified two types of workers:

- *cosmopolitans* who have low loyalty to the employing organisation but are high on commitment to their specialised role skills and who are likely to use an outer reference group for their work orientation
- *locals* who are high on loyalty to the employing organisation but low on commitment to specialised role skills and likely to use an inner reference group for their work orientation.

In the past, the cooperative nature of the nonprofit sector with its formal and informal interagency links, gave both ‘cosmopolitan’ and ‘local’ workers environments in which they could flourish to their own and the organisation’s benefit.
Holland’s (1959, 1997) career typologies and theory of vocational personality emphasises the match or fit that workers seek in their careers. He maintained that individuals were attracted to particular occupations that met their personal needs and offered the prospect of fulfilment. He identified six modal environments: realistic, investigative, artistic, social, enterprising and conventional. These modal environments were used to classify individuals and occupations. Holland’s theory of vocational personality holds that people will look for environments that:

- allow them to use their skills and abilities
- align with their attitudes and values
- offer agreeable problems and roles.

This type of match or fit is often used to explain the motivation of nonprofit workers, where an individual worker’s values and passion align with their organisation’s values and purpose. Finally Holland posited that an individual’s behaviour is the product of the interaction between their personality and the environments they inhabit, past and present.

The work of Driver (1980, 1988, 1996) and his career concepts has been used to understand nonprofit careers. He identified four career concepts:

- **linear**, where achievements, income, power and prestige steadily increase over the course of a working life
- **expert**, where knowledge, skills and commitment increase within an occupation with few if any job changes
- **spiral**, where multiple job changes and different positions build on and extend previous experience
- **transitory**, where continuous change with fluidity, variety and flexibility are the dominant motivators and rewards.

The spiral career is particularly applicable to the ‘agency hopping’ that was common in the nonprofit sector (Onyx & MacLean, 1996). Managers’ careers developed through gaining experience in small organisations and moving to larger organisations, increasing the degree of responsibility and level of remuneration.
Career patterns and motivation are the central themes in Schein’s (1996) work. He developed eight career anchors or fundamental motivations that he maintained underpinned the career decisions that people made. These anchors were: security and stability, lifestyle, autonomy/independence, pure challenge, technical/functional competence, managerial competence, sense of service/dedication to a cause and creativity. From a different perspective, Sharf (1997) considered the value individuals place on life roles (study, work service, home/family, leisure) at any given time in their life’s course. He described this as salience. As these theories reflect, work was identified as a critical component in the construction and expression of identity (Blustein, 1994; Schein, 1990). However, the universality of the meaning of career and the experience of work appears limited when the diversity of the community is considered. This is particularly evident in the nonprofit sector with its highly feminised, older workforce that seeks to employ minority members to work within their communities and transcend cultural barriers that exist in the mainstream of society.

Such issues were contributing to a growing dissatisfaction with the grand career narrative in the last decade of the twentieth century (Super, Savickas & Super, 1996, p. 135). Its limitations began with its basic assumptions of opportunity, choice, available work, personal interest and self concept. Moreover, it was only applicable to a privileged section of the community and not available, or relevant to much of the world’s population (Fitzgerald & Betz, 1994; Leong, 1995; Peavy, 1995; Naidoo, 1998). Lent, Brown and Hackett (1994) begin to address these concerns with their social cognitive career theory. They propose that the career choices an individual makes at any given time are influenced by their beliefs and views, which are shaped by experiences of success and failure. These beliefs and views are developed and adapted through a lifelong interactive process that draws on personal performance accomplishments, vicarious learning, social persuasion and physiological states and reactions. Social cognitive career theory emphasised the dynamic nature of an individual’s circumstances, views and beliefs. It was a significant step towards accounting for the social and economic contexts in which an individual operates.
Nonetheless, continuing research has produced an increasingly complex picture of career development and career choices. Multiple factors have emerged as influential. These influential factors range from the individual such as personality and interests; self perception and world view (gender/racial/cultural identity), to the societal such as socialisation, resources (financial, information, role models, social supports), and experiences of sexism, racism and classism (Kerka, 2000; Helms, Jernigan & Mascher, 2005; Sternberg, Grigorenko & Kidd, 2005). Moreover, whilst the function of work in the human experience is somewhat constant as a means of survival and power, access to psychological, economic and social power is not equitable. It is influenced by many of the aforementioned societal factors that can either create or limit opportunities, particularly in relation to education (Blustein, 2006). The complexities in this picture of work and career not only resonate with the workforce and employment context of the nonprofit sector but also reflect the experience of community service users.

There is general agreement on the individual benefits of work such as positive identity development, interpersonal engagement and a sense of economic and social contribution to the community and society at large, in addition to feelings of satisfaction and purpose (Deci & Ryan, 2000; Blustein, 2006). However, this is the rosy side of the story. It is not uncommon for people to experience difficulties at work that can result in experiences of isolation, alienation and rejection. These experiences can be quite detrimental to the individual and have a significant negative impact on job performance and the person’s broader psychological well-being (Quick & Tetrick, 2003; Sennett, 1998).

Fugate, Kinicki and Ashforth (2004) explored the psycho-social construct of employability. They identified three interrelated dimensions already defined in career literature: career identity, personal adaptability and social and human capital. These characteristics combined together, creating a synergy and intersection that reflects an individual’s employability at any given time (see Figure 4.1). Moreover, employability ‘captures the aspects of each of the three dimensions that facilitate the identification and realisation of career opportunities within and between organisations’ (Fugate, Kinicki & Ashforth, 2004, p. 5). The characteristic career identity is a dynamic creation shaped by the assimilation of career experiences and aspirations. It is how an individual defines
themselves in the workplace. *Personal adaptability* is the ability to adjust and change attributes such as knowledge, skills abilities, disposition and behaviours to suit a given situation. The third characteristic is *social and human capital*. *Social capital* refers to social networks and the goodwill within them. It is the information and influence that can be generated from one’s social networks and its utility in the employment context. *Human capital* is the combination of a host of factors such as age, education, emotional intelligence, job performance and employment history and experiences that influence career advancement.

![Figure 4.1: Heuristic model of employability](image)

(Fugate, Kinicki & Ashforth, 2003)

The value of this model is that it can be used as a lens for viewing the employability of nonprofit workers and also for viewing the employability of their community service users.

More recently, chaos theory has been adapted as a lens for viewing work and careers. It suggests that the world of work is full of complex and dynamic systems and that within these systems there is a complex array of influences on career decisions, not the least of
which is chance events (Bright & Pryor, 2005). The result is a series of careers during the life course (Arthur & Rousseau, 1996; Littleton, Arthur & Rousseau, 2000). In order to manage and flourish within this pluralisation of life and work, adaptability is essential. Moreover, the old view of careers that have a fixed vocational identity is more likely to be a hindrance and limitation in this new age of pace and change (Porfeli & Vondracek, 2008; Vondracek & Porfeli, 2002; Riverin-Simard, 2000). Consequently, the focus in psychological and developmental career theory became adaptability. Savickas (2002, 2005), identified the following four key dimensions of career adaptability:

1. concern about the future
2. control over one’s life
3. curiosity about occupational careers
4. confidence to construct a future and deal with career barriers.

The chaos theory of careers reflects the rapidly changing world of work in all sectors; business, government and nonprofit. In order to appreciate the significance of these changes to individual and organisational careers it is important to review the organisational perspective.
4.3 Organisational focus

The narrative of the organisational perspective, like that of the individual perspective, does not problematise sector. Nonetheless, the themes of environmental change and human resource practices are familiar and relevant to the nonprofit sector. In general the 1950s, 1960s and 1970s were hallmarked by prosperity and stability. Community services operated in this steady and thriving economy under the social democratic policies of the welfare state. There was full employment, universal education and greater opportunities for upward mobility than ever before. Overall, organisations operated with a well-founded expectation of continual growth, becoming larger with more complex structures. In this environment it was an advantage for organisations to have a secure, reliable and loyal workforce.

Company employees could reasonably expect extensive training and development, guaranteed promotions and a company pension scheme (Inkson, 2007, p. 7). Consequently there were organisational careers, which were the expected and available career paths within a particular organisation (Callanan & Greenhaus, 1999). There was a psychological contract between employees and their organisations that provided mutual security. The worker offered loyalty and commitment, and the organisation offered security and career (Nicholson, 1996; Robinson, Kraatz & Rousseau, 1994; Rousseau & Wade-Benzoni, 1995). This view, commonly referred to in the literature as the traditional view of career has several themes: stability in the individual’s work environment (Arthur, 1994), movement either through hierarchical advancement or intra-organisational mobility (Callanan & Greenhaus, 1999) and choice in available jobs that will be consistent with the individual’s interests, talents and lifestyle preferences (Callanan & Greenhaus, 1999). This traditional view explains why much of the research pre-1990 centred on the individual and understanding their choices.

With the 1980s and 1990s came significant environmental changes that have altered the way people are employed and the types of jobs they hold. At a political level there was a global trend to market-based economic policies and reduced government protection for
local business. Change was rapid and competition was ruthless. For the majority of businesses operating in this context their growth and survival depended on maximising labour flexibility and minimising long-term labour costs. Organisational restructuring became common place with downsizing, de-layering and contracting out (Inkson, 2007, p. 8). More recently labour market reform in previously highly unionised countries like Great Britain has created a more ‘hire and fire’ employment climate (Hamann & Kelly, 2003; Morton & Siebert, 2001). For nonprofit community services these changes were experienced through the neo-liberal policies of welfare marketisation with its competitive tendering and outcomes-based contracts.

At a societal level, women’s participation in the workforce increased rapidly and dual-income families have become the norm (Raley, Mattingly & Bianchi, 2006). At a development level, the information and technological revolution saw new jobs appear and other jobs vanish entirely. Thriving and surviving in this new global context necessitated the emergence of new organisational forms with a ‘just in time’ orientation to human capital. Now people are employed to do the work required at the time it is needed (Inkson, 2007, pp. 7–8; Callanan & Greenhaus, 1999). Many organisations no longer offer employees careers, instead they offer ‘opportunities for development’, inherent in which is the notion of flexibility and employee managed learning and self development (Storey, Bacon, Edmonds & Wyatt, 1994; Kanter, 1991; Jackson, 1991). Table 4.1 illustrates these environmental changes and their effects on careers.
<table>
<thead>
<tr>
<th>Nature of change</th>
<th>Effect on careers</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Welfare State’, protectionist, and full employment policies of many countries, 1940–80</td>
<td>Considerable career security for many people</td>
</tr>
<tr>
<td>Larger and more complex organisations (up to 1980)</td>
<td>Availability of loyalty-based organisational careers providing steady advancement in larger organisations</td>
</tr>
<tr>
<td>Market-oriented economic policies of many countries from 1980</td>
<td>Higher unemployment, exposure of careers to economic cycles</td>
</tr>
<tr>
<td>Restructuring organisations for lower costs and greater efficiencies</td>
<td>Layoffs, unanticipated transfers, career destabilisation, McJobs</td>
</tr>
<tr>
<td>Ageing society – greater longevity</td>
<td>Careers stretched beyond age 65 years</td>
</tr>
<tr>
<td>Emancipation of women, two-income households</td>
<td>Enlarged labour pool, changes in traditional male occupations, dual-career couples</td>
</tr>
<tr>
<td>Greater affluence, more discretionary spending</td>
<td>Growth of industries such as luxury goods and hospitality, with new career opportunities</td>
</tr>
<tr>
<td>Professionalisation of specialist occupations</td>
<td>Structuring and protection of professional career paths through required qualifications</td>
</tr>
<tr>
<td>Growth of information technology</td>
<td>New occupations, organisations and careers in information technology, major changes in the work in other jobs</td>
</tr>
<tr>
<td>Globalisation – multinational organisations relocating business for lowest cost</td>
<td>Displacement of manufacturing and some service jobs to Third World countries, beginning of global careers</td>
</tr>
</tbody>
</table>

Table 4.1: Late twentieth century trends and their effects on careers

(Inkson, 2007, p. 7)
At the individual level these changes present new challenges. Workers are required to be technology literate, they need to manage and thrive in a multicultural environment, they need to be adaptable and flexible to new environments and requirements and they need to manage the competing demands of work and family. Sullivan (2001, p. 252) suggested that, in meeting the demands of their individual and work environments, workers need:

- portable skills, knowledge, and abilities across multiple organisations
- personal identification with meaningful work
- on-the-job action learning
- the ability to develop multiple networks and peer-learning relationships
- to take individual responsibility for their own career management.

This approach to careers is commonly referred to as the boundaryless career (Arthur, 1994; Cohen and Mallon, 1999) because workers are no longer bounded by the traditional, hierarchical organisational careers of the past. Instead they move across internal and external boundaries managing their own work and career opportunities. Variations on the boundaryless have been referred to as portfolio careers (Handy, 1989; Templer & Cawsey, 1999), the career resilient workforce (Waterman, Waterman, & Collard, 1994), evolving work situations (Bridges, 1994), career pluralism (Brousseau, Driver, Enroth & Larson, 1996), self-centered career management (Callanan & Greenhaus, 1999), and the protean career (Hall & Mirvis, 1995). Watts (1997) optimistically described it as a careerquake, ‘shaking the foundations of traditional conceptions but with the opportunity to build new and more robust structures in its wake’.

Arthur’s work on the boundaryless career resonates with the research from the individual perspective (1994, p. 296). He describes it with the following characteristics.

- It is a career that moves across the boundaries of separate employers.
- An individual draws validation and marketability beyond the present employer through external networks including past employers and reputation.
- Extra organisational networks or information sustain an individual’s effectiveness in employment.
• Traditional organisational career boundaries such as hierarchical reporting and advancement principles are broken.
• Existing career opportunities are rejected for personal or family reasons.
• The career actor is interpreted as one who may perceive a boundaryless future, regardless of structural constraints.

Arthur’s description of external networks, moves across separate employers, and personal and family priorities characterises many of the work patterns in the nonprofit sector. However, Briscoe & Hall’s (2006) protean career includes an additional characteristic central to the nonprofit sector; it is values driven and as such personal values are the guides in decisions and the measures of success.

The boundaryless career has had its critics. The research of Guest and Mackenzie Davey (1996, p. 25) raised questions about the reality of the ‘new organisation’ rhetoric. Jacoby’s examination of labour force factors showed that career jobs had not ‘melted into thin air’ and still existed (Jacoby, 1999, p. 137). The applicability of these criticisms and findings has not been tested in the nonprofit sector. More recently, Pringle and Mallon (2003) questioned the efficacy of the theory, asserting that in its development, social structures such as national context, socio-economic differences, gender and ethnicity were not given sufficient credence. Moreover, there is an inherent assumption that the agent, building their individual career capital, is self assured, skilled and qualified ‘with the human and social capital to leverage their skills, while traversing a terrain that holds no barriers for the adaptable and the well networked’ (Pringle & Mallon, 2003, p. 847). These criticisms echo the concerns expressed about the grand career narrative. Socio-economic differences, gender and ethnicity are central to the nature of the work and the workforce in nonprofit community services. Consequently, whilst the careers in this sector may share some of the characteristics of the ‘boundaryless’ career, there are likely to be marked differences as well.

Attention has been given to the limitations of career theory in relation to women (Gutek & Larwood, 1987; Marshall, 1989; Gallos, 1989; Powell & Mainiero, 1992; Fitzgerald &
Betz, 1994; Fletcher & Bailyn, 1996; Sullivan, 1999; Woodd, 2000). This is particularly relevant to the not-for-profit sector with its highly feminised workforce. The assumed dominant norm of unbroken upward career progress is essentially a male construct. Women’s careers, by contrast, typically have quite different patterns with breaks for maternity leave and child rearing and greater employment in casual and part-time work in addition to working from home. As Eaton and Bailyn (2000, p. 194), point out:

'No longer do we have an isolated individual with human capital but an individual embedded in a family and a community, and often in a primary relationship with another adult also engaged with organisation, industry, firm, project and task aspects of occupational work.'

Exploring the theme of gender, careers and organisations, Halford, Savage and Witz (1997) developed a three career typology. It consisted of contingent careers which change in response to opportunities; strategic careers, which are more about planned development; and next-steps careers, which are somewhere between the other two on a continuum. They also came up with the surprising findings that in nursing (a female dominated career) there was ‘clearer evidence of strategic careers’ than in the more male-dominated areas of banking and local government (p. 189). In addition to challenging some of the somewhat stereotypic assumptions about the career mindsets of men and women, Halford, Savage and Witz concluded that their findings highlighted the ‘complexities and uncertainties of both women’s and men’s career narratives’ (p. 190).

The use of image and metaphor to describe careers is common; someone’s ‘star is on the rise’, someone else is ‘hungry’, another person is ‘in a rut’, while plenty of people describe their working lives as taking place in ‘the rat race’. Metaphor analysis has been used as a lens to understand organisations (Morgan, 1986) and to view careers (Gunz, 1989; Inkson, 2001, 2002; Mignot, 2000; El-Sawad, 2005). In many respects metaphors contextualise the individual in the organisational, social and life span context. Recently greater attention has been paid to the detailed picture of careers that combined metaphors can provide. Inkson (2004, 2007) described the following nine archetypical metaphors that together can give a wide understanding of careers.
• *Inheritance* is the predetermined outcomes that are passed on from our background and our parents.

• *Seasons* or *cycles* are the common and identifiable stages through which everyone progresses.

• *Actions* are the means through which an individual imposes their will on the world.

• *Matching* is the suitability of an occupational slot which can ‘fit like a glove’ or feel like a ‘square peg in a round hole’.

• *The path* or *journey* refers to career moves, which can be geographical, between jobs, between occupations, or between organizations. The journey combines two key features of career: movement between places and time.

• *Theatre* has ‘career’ as one of the roles acted out in a theatre of life.

• *Network* refers to the interactions, contacts and relationships that are embedded within a series of overlapping social systems that can be utilised for career advancement.

• The *economic* metaphor is about career as a resource which has the potential, in combination with other resources, to create wealth.

• *Narrative* is the stories about careers.

Metaphors are commonly used in the nonprofit sector. Organisations that are in and of the community are ‘grass roots’, working at the ‘coal face’. Funding is a ‘juggling act’ and a ‘jigsaw puzzle’. Services in the context of high demand and unmet need are no more than ‘keeping a finger in the dyke’. Workers are ‘bleeding hearts’ and ‘do-gooders’ or ‘case hard’ and ‘burnt out’. Managers with ‘street cred’ have ‘walked the boards’ and ‘done the hard yards’ whilst those without are ‘tourists through the sewers of life travelling in glass bottom boats’. The combination of these metaphors gives a picture of nonprofit employment that is complex and multilayered; a picture that is also reflected in the research.
4.4 Nonprofit careers

In the 1990s Onyx and MacLean (1995) conducted a study of 200 community workers in nonprofit organisations in New South Wales. The study confirmed that the workforce was highly feminised and that the work was insecure, poorly paid and stressful. Nonetheless, and contrary to common impressions, career advancement was evident. The community workers had experienced career progression either within their own organisation or through changing organisations. At an individual level, they found that the dominant motivation both for entering the nonprofit sector and for seeking particular jobs within it, related to strong social values, a high premium on personal development, and a desire to extend personal skills and to find interesting and challenging work. Their findings agreed with the work of Mirvis (1990) in the US, who concluded that nonprofit employees brought greater commitment and non-monetary orientation to their jobs.

Since then, more recent studies in Canada and the US have confirmed that nonprofit employees are motivated by intrinsic factors such as the opportunity to actualise their values through an organisation’s work; their belief in their organisation’s mission; and the opportunity to participate in decision making (Brandel, 2001; Brown & Yoshioka, 2003; Kim & Lee, 2007; McMullen & Schellenberg, 2003). Nonetheless, there was also strong evidence of dissatisfaction with poor pay and career advancement that threatened to override the motivating benefits of mission attachment. In fact, dissatisfaction with pay and career advancement has been posited as the reason why nonprofit organisations lose qualified workers (Alexander, Lichtenstein, Oh & Ullman, 1988; Dickie, 2002; Kim & Lee, 2007; Light, 2002; Mesch, Tschirhart, Perry & Lee, 1998; Stergios & Weekes, 2002; Stremmel, 1991; Vinfen Corporation, 2004).

These themes reoccur in Little’s (2004) study of voluntary sector leaders who moved across to work in government in the UK. When asked their views on working in the nonprofit sector, the positives that the participants identified were very similar:
• ‘living the passion’
• working with like-minded co-workers
• flexibility
• the range of responsibilities
• the opportunity to exercise initiative, independence and be a self starter.

The negatives were also familiar:
• the pay
• burnout
• the typical dysfunctions of the sector such as accountability, governance, confusion over roles, funding crises and always being cash strapped.

The similarities in these studies from the UK, US, Canada and Australia suggest that the nonprofit sector shares some essential characteristic in Western democratic countries.

As previously mentioned in Chapter 1, the research question for this study has a focus on managers. Consequently the perspective of Chief Executive Officers whose careers have led to their appointment is valuable information for the individual and organisational perspective.

4.4.1 Nonprofit CEOs

There is some Australian work on nonprofit CEOs carried out by Lyons in 1992. He studied the approaches of 16 Chief Executive Officers (CEOs) of large nonprofit organisations that were multifunctional with dispersed locations including interstate operations. Although this study is now over 16 years old, the findings reflect an emerging trend to importing CEOs from other sectors.

Of the 16 CEOs Lyons studied, only three were women. Five were from the clergy, all of whom were men. All the CEOs were well educated. Six were appointed from outside the organisation and eight had previous experience within the organisation as an employee.
Two had experience with the organisation as a Board member. Seven were from the state public service and five had business experience. Half of the CEOs could be said to have been employed in the community sector before joining the organisation they were now heading. Of the half with previous community sector experience, five were the CEOs from the clergy – an employment pattern that would be different today because of the decline in religious orders. There was one trade union official. One CEO had moved from business to a similar nonprofit organisation. Only one organisation, which was a church welfare organisation, required the CEO to have previous experience with the organisation. However, apart from the clergy, none of the CEOs had worked extensively in community organisations. Nonetheless, the CEOs considered the variety of revenue sources, the extensive use of volunteers and the complexity of governance, unique features in managing a nonprofit organisation. Moreover, nine of the CEOs stated that, without question, managing a nonprofit organisation was quite different to managing a business or government agency of similar size.

A more recent Australian study was conducted by Parker (2007). He found that the significant relationship in the nonprofit CEO role is with the organisation’s Board or management committee (Parker, 2007). Other studies have shown that this relationship varies from a CEO-led passive Board (Rochester, 2003) to a Chair/CEO mentor relationship. The most successful Chair/CEO relationships have been characterised as partnerships based on complementary behaviours and high levels of trust (Mole, 2003; Stiles & Taylor, 2001).

Around the same time as Lyons’ study, two studies in the USA, Cornforth and Hooker (1990) and Weaver and Herman, (1991) found that it was ‘happenstance’ that led people to executive positions in the nonprofit sector. Nonetheless, there was still strong congruence between personal and organisational values (Cornforth & Hooker, 1990).

The themes in Lyons’ findings are also not unique to Australia. In terms of gender, a study for the Association of Chief Executives of National Voluntary Organizations in the UK (Dawson & ACENVO, 1998) found that the CEOs of three quarters of the larger nonprofit organisations were men. On the other hand the majority of CEOs in smaller
organisations were women. In terms of careers, most of the CEOs had engaged in planning to some extent. Women were more committed to networking as an essential part of career progression. Moreover, of the CEOs who had breaks in their careers, not surprisingly, the majority were women and they felt that their careers had been disadvantaged.

A more recent and extensive study of the career biographies of CEOs of voluntary organisations in UK was conducted by Harrow and Mole (2005). They were interested in gender comparisons and career typologies that reflect the career experiences in the nonprofit sector. At the outset their research confirmed that there was a concept of career in common use among the 60 CEOs they interviewed. Furthermore, the concept of career was spiral rather than linear in nature. The analysis of gender revealed that:

- one-fifth of the women had launched their careers in the sector through volunteering, whereas none of the men had done so
- nearly half the men and nearly a quarter of the women were actively job seeking for their current position
- a fifth of the female chief executives acknowledged an element of being in the right place at the right time when describing the contributing factors in their current appointment; no men acknowledged this influence
- approximately one-tenth of the women had previously been Board members of their current organisation (p. 89).

The respondents in Harrow and Mole’s research agreed with Lyons’ findings that the CEO role is ‘multifaceted with a range of tasks and activities’ (p. 89). In terms of motivation, nearly a fifth of women were sustained by ‘new challenges’ whereas few of the men identified this as a motivator. However, a quarter of the men identified ‘the cause’ as their primary motivator. By contrast this was a major motivator for only a tenth of the women.

Harrow and Mole commenced their analysis of career typologies using Halford, Savage and Witz’s (1997) strategic, next step and contingent career continuum.
As a result of their analysis they expanded the ‘next step’ approach to include ‘lifestyle’ and ‘retirement’. Similarly, they expanded the ‘contingent’ approach to include ‘staying put’. Whilst these typologies were useful they were still limited because they didn’t account for the choice to work in the sector, and therefore their validity as a continuum in this context was questionable.

After further immersion in their data, Harrow and Mole developed a career typology specific to the nonprofit sector. It contained three groups of executives; the paid philanthropist, the careerist and the non-aligned. The paid philanthropist is motivated, above all, by altruism. Their career path is secondary to the commitment they have for ‘the cause’, their work and the sector. The careerist makes a conscious decision to pursue a career in the sector. They identify the types of organisations that could be possible for future promotion and they engage in personal development for this purpose. Finally, the non-aligned have found themselves in the sector as a by-product of other events such as redundancy or dissatisfaction with their previous position. Whilst they have no specific commitment to the sector they do feel sufficient commitment to their organisation and consider their work to be useful. Nonetheless, they see themselves as managers with a wide range of skills and knowledge. Consequently their career horizons are broad and cross sectoral. In terms of the prevalence of these types of executives in the study, there were equal numbers of participants in the careerist and non-aligned groups. However twice the number of women were careerists and two thirds the number of men were non-aligned. What was surprising was that the paid philanthropists were decidedly in the minority. This is in direct contrast to the image of the sector’s workforce as highly committed and driven by values to such an extent that remuneration and working conditions are a secondary consideration.

The combined picture of CEOs that these studies reflect shows a mix of backgrounds that includes for-profit sector experience. This evidence, along with Little’s study of voluntary sector leaders who moved into government positions and the studies that identified dissatisfaction with pay and career advancement in the nonprofit sector, behoves a look at a cross-sectoral comparison in order to appreciate motivation, working conditions, remuneration and career opportunities in the wider employment context.
4.4.2 Cross-sectoral comparisons

In 1998 Onyx conducted a cross-sectoral study on career motivation. The results identified differences in motivation between the three sectors. The dominant motivations in the for-profit (business) sector were personal advancement and salary. In the public sector the dominant motivation was security. In the nonprofit sector the dominant motivations were effecting social and political change and engaging in meaningful work that makes a difference. There were motivations and preferences common to all three sectors. They were personal challenge, learning and independence. Furthermore, there were common work style preferences: open, team based structures, collaborative decision-making and worker autonomy. Moreover, the findings suggested that in the nonprofit sector there was a much greater recognition of the variety of career motivations and goals held by the individual, and the variety of career patterns that are useful or necessary for the survival of the organisation. Increasingly, employees were seeking work that was meaningful within the terms of their own career goals. They were looking at organisations for skill development opportunities which would enhance their future employability.

The majority of the studies on nonprofit remuneration are from the US and Canada. Remuneration generally is identified as lower in nonprofit organizations (Barbeito & Bowman, 1998; Brandel, 2001; Handy & Katz, 1998; Weisbrod, 1983). McMullen and Schellenberg (2003) found that the average earnings of nonprofit employees were lower than those of their comparative counterparts in other sectors. Barbeito and Bowman (1998) identified that the salary differences between the sectors increased at the managerial level with nonprofit salaries approximately half what other sectors pay. Leete (2001) conducted a study using over four million observations from the US 1990 Census. She did not find that there was an economy-wide nonprofit wage differential. What she did find was that within particular industries there were wage differentials and that at this level, on balance, for-profits tended to pay more. Conversely, Mocan and Tekin (2003) found that in the childcare industry in the US, there was a substantial compensation premium in favour of nonprofit jobs. A more recent US study by Kim & Lee (2007) identified that nonprofit workers earned approximately 11% less than workers in the for-
profit sector. However, after controlling for work hours, industries and occupations, this pay differential was eliminated.

In a more detailed study, DeVaro and Brookshire (2007) analysed data from the US 1992–95 *Multi-city study of urban inequality*. They found that:

- promotions were less likely in nonprofit organisations than in for-profits
- the observed difference in promotion rates between the nonprofit and for-profit sectors was more pronounced for high-skilled than for low-skilled workers
- nonprofits were more likely than for-profits to have formal procedures for internal hiring
- nonprofits appear to have been less likely than for-profits to use promotions as incentive mechanisms
- nonprofits were less likely than for-profits to use output-contingent incentive contracts
- even though nonprofits used fewer direct incentive mechanisms to motivate workers than for-profits did, average worker performance was similar in the two sectors (DeVaro & Brookshire, 2007, p. 334).

DeVaro and Brookshire put forward a possible and not unfamiliar explanation for their findings. They suggested that nonprofit workers are more intrinsically motivated (inspired to work for reasons that transcend material remuneration) than are for-profit workers. Consequently, promotions in the nonprofit sector are much more about job assignments (aligning level of authority with responsibility and duties) than creating employee incentives (pp. 330–31). In order to explain the intrinsic motivation of nonprofit workers DeVaro and Brookshire drew on the work of Hackman and Oldham (1980) and their Job Characteristics Model. This model suggests that ‘task significance’ or the extent to which a job affects the lives of others defines a degree of meaningfulness in the work. Consequently it follows that the greater the task significance, the greater the meaningfulness of the work and the greater the worker performance. Therefore in relation to nonprofits, the very mission and values of the organisation, if they align with the
worker’s value system, assure high task significance and mission-driven intrinsic motivation.

DeVaro and Brookshire’s explanation emphasises mission attachment and values alignment as the basis of the differences between for-profit and nonprofit organisations and employees. It is a theme that keeps surfacing. However, their data source is 13 years old. The operating climate of nonprofit organisations has changed substantially in the past 15 years under neo-liberal policies. At this point it is useful to look at studies that explore the effect these changes have had on employment and working conditions in the sector.

4.4.3 Changing nonprofit employment context

There is little Australian specific data on the changing employment context for nonprofit employees. Nonetheless, given the current similarities that Western democracies share in terms of neo-liberal policies and the nonprofit sector, the following studies are illuminating and intuitively resonate with the Australian context.

As previously mentioned, nonprofit employees are motivated by values alignment and mission attachment with their employing organisations. In community services, the values alignment often extends to a strong egalitarian, gendered and racialised sense of moral and political obligation to create change and provide care for individuals and communities (Baines, 2008, 2004a; Carniol, 2000; Mullaly, 1997). However, more recently, it has become clear that the impact of neo-liberal policies has extended to the working conditions and employment prospects of the sector’s employees. The pro-market approaches of government funders that require continuous improvement, uniformity in quantifiable output and increased productivity have necessitated changes in the work structures and approaches of organisations. Duties have narrowed and become more prescribed, often reducing contact time with clients and increasing documentation requirements. This in turn has led to a reduction in worker power and control over decisions and activities with a resultant sense of a loss of professional competence and satisfaction (Abramovitz, 2005; Baines, 2004a, 2004b, 2004c; Clarke & Newman, 1992;

The standardisation of work practices designed to eliminate error and waste has increased the use of flexible staffing models that include irregular shifts and part-time, temporary and casual positions (Akingbola, 2004; Cunningham, 2001; Fabricant & Burghart, 1997; Foster & Hoggett, 1999; Gilroy, 2000; Lewchuk, 2002). The consequent staff turnover and its impact on quality and continuity have negatively affected service delivery (Akingbola, 2004, p. 459). Contract employees often accept contract work as a stopgap measure while they seek permanent positions which in turn affects their concentration and commitment to the service at hand (Schellenberg & Clark, 1996). Furthermore, managers have expressed concern about the use of temporary staff because of the high turnover, low productivity and inevitable low morale (Moss, Salzman & Tilly, 2000).

In addition to the standardisation of work practices, services are experiencing increased financial uncertainty. This is created by short-term financial settlements, competitive tendering and fixed funding packages attached to outcomes, not costs. These funding packages take little account of wage and cost-of-living increases, quite apart from greater service demands (Russell, Scott & Wilding, 1996, pp. 405–6). Many community services manage to cover their overheads through juggling existing resources, and the greatest of these overheads is staff costs (Russell, Scott & Wilding, 1996, p. 406; Whelan, 1999, p. 19). An inevitable upshot is the expansion of unpaid work. This takes various forms from volunteer work and unpaid overtime to increased social and union activism (Baines, 2004c). Whilst volunteering has always been a common entrée into careers in the sector, Baines (2008, p. 128) found that some workers now considered it a requirement in order to protect their existing employment and to situate themselves favourably for their next position.

Frahm and Newton (2007) found that, even with all these neo-liberal, quasi market policies redefining the community services’ operating context, most employees retained a humanistic identity that aligned with their organisation’s values and mission. Moreover, they resisted any change to this identity that the current operating environment might
require. Nonetheless, it is clear that the nonprofit community services’ workforce is feeling its vulnerability with one study finding that labour turnover in the sector stood at 20% and was rising (Dullahide, Ellarby & Smith, 2000). Another study found that 41% of organisations reported an increase in the numbers of casual/temporary employees (Cunningham, 2001, p.233).

This picture suggests quite a lot of insecurity and employee movement in the sector, which returns the focus to career paths, again from the individual and organisational perspective.

### 4.4.4 Career paths

Boundaryless careers have been a common phenomenon in the nonprofit community services sector. As identified by both Onyx and McLean (1995) and Harrow and Mole (2005), career paths regularly spiral between agencies, with workers gaining experience. In the past, managing a small organisation has often been the first step in a career that leads to the CEO position in a large and influential organisation. Similarly, volunteering on the management committee of a small organisation has provided fertile ground for gaining management and governance experience essential to a CEO. The availability of these pathways is under threat with the reduction of small organisations due to government funding formulas that favour the economies of scale offered by large organisations (NCOSS, 2008).

The reduction in small organisations is not the only threat to career paths in the sector. Another change is the deliberate recruitment of staff from the for-profit business sector because of their alleged superior financial and managerial expertise. As Myles McGregor-Lowndes, the Director of Queensland University of Technology’s Centre for Philanthropy and Non-Profit Studies said, ‘Charities that did not recruit top business managers were a recipe for disaster’ (Vincent, 2002). Smith and Lipsky (1993) and Stone (1996) found that in the USA nonprofits that relied heavily on government funding had more corporate style Boards of Directors, comprised of business people and
professionals, rather than community representatives and that the Boards focused principally on financial matters.

It may be that an organisation gains financial and managerial expertise by recruiting from the for-profit business sector but there is no guarantee that it will get the same level of commitment to the values and mission that comes with workers who choose the sector because of its purpose. Many ex-for-profit employees use the nonprofit sector as a career move (Leat, 1995, pp. 16–7). Others come to the sector seeking respite from the threat of redundancy as a manager in the business sector (Stein, 2002). Irrespective of the route to management in nonprofit organisations, ex-for-profit managers still need to demonstrate their expertise and be respected by knowledgeable people in the organisation. In short they need to be ‘flexperts’, ‘people capable of acquiring more than one area of expertise within adjacent or radically different fields’ (van der Heijden, 2003, p. 144). Even so, as Baines (2004b) identified, developing the professional skills of nonprofit community services involves years of education and refinement. Furthermore, the skills reflect a distinct body of knowledge and values base. In her study of Canadian First Nation’s community services workers and workers of colour (Afro-Caribbean-Canadian and Latinos), she found that supervisors and managers without these skills and knowledge had to be educated by the community services workers (Baines, 2008, p. 126).

Finally, whilst experience in the for-profit or government sectors may be seen as advantageous when seeking a management position in the nonprofit sector; it appears that this boundaryless trend may be one way. Little (2004) studied UK nonprofit leaders who moved into government. She found that experience in the nonprofit sector was not perceived to be career enhancing.

The last element in careers that brings the organisations and individuals together is recruitment.
4.5 Recruitment practices

The critical role that effective recruitment practices play in organisational success is well established (Cable & Judge, 1994, 1996; Chatman, 1989, 1991; Judge & Bretz, 1992; Schneider, 1987; Valentine, 2000; Wanous, 1977, 1992). A consistent finding is that people join, succeed and stay with organisations where there is a strong alignment between the organisational culture and values and the individual’s values and direction; in short a good person–organization fit (Buntzman & Parker, 2008; Kristof-Brown, Jansen & Colbert, 2002; Myers & Dreachslin, 2007; Ryan & Tippins, 2004; Saks & Ashforth, 1997; Taylor & Collins, 2000; Van Dick, Christ, Stellmacher, Wagner, Ahlswede, Grubba, Hauptmeier, Höhfeld, Moltzen & Tissington, 2004). People ‘seek jobs with employers whose moral values match their own’ (Scott, 2000, p. 425). Moreover, ‘the best skill set cannot overcome a bad cultural fit’ (Freeman, 2005, p. 96).

Consequently it is critical that intangible qualities such as a candidate’s philosophy and values be considered in recruitment in order to achieve a good fit (Freeman, 2005, p. 96). However, if the fit is to be realised and employees are going to be able to see their values in action, then a clear alignment between organisational mission and values and an organisation’s strategic direction and activities is essential. This is the recipe for an organisation’s success; it is vital for a healthy work environment and it is the foundation for retaining a committed staff (Vogelsang, 1998). In order to achieve such a work environment, organisational leadership needs to be values and mission focused which suggests that values and mission should be central in management recruitment as well.

4.5.1 Recruitment and nonprofit organisations

In the United States, the Leader to Leader Institute (formerly the Peter F. Drucker Foundation for Non-profit Management) works to ‘strengthen the leadership of the social sector’. In their 2005 winter publication of Leader to Leader, Frances Hesselbein made the following observation on the leaders that the nonprofit organisations need.

‘We need leaders who help distil the concept and language of the mission – why the organization does what it does, its purpose, its reason for being. These leaders
The importance of the mission/values fit between nonprofit organisations and their employees is paramount. It plays a major role in attracting, motivating and retaining employees (Brown & Yoshioka, 2002).

DeVaro (2005) found that, on balance, the nonprofit sector tended to engage in longer and more detailed recruitment campaigns than the for-profit sector. DeVaro and Brookshire (2007, p. 324) speculated that this was because of the importance of recruiting workers who are sympathetic to and motivated by the organisational mission. As Hesselbein points out, this is particularly important at the manager/leader level, where the skills required in the nonprofit workplace become quite specific. Not only are nonprofit managers required to have the generic management skills of budgeting, planning, decision-making, supervision and leadership; they also need to know about fundraising; volunteer involvement; collaboration with stakeholders; lobbying; contractual relationships with government funders and program development. This is in addition to working with a volunteer management Board, advocacy groups, members and donors (Akingbola, 2006, p. 1709; Herman & Heimovics, 1989; Smith & Lipsky, 1993). Finally if nonprofit organisations are going to succeed in their pursuits, their recruitment must be aligned with their strategy (Akingbola, 2006, McMullen & Schellenberg, 2003).

4.5.2 Advertising

Recruitment advertisements convey more than the specifics of a given position within an organisation. They project an image of the organisation. This organisational image plays an important part in attracting applicants (Bauer & Aiman-Smith, 1996; Britton, Chadwick & Walker, 1999; Gatewood, Gowan & Lautenschlager, 1993; Gioia, Schultz & Corley, 2000; Gregory, 1997; Hamori, 2003; Turban & Greening, 1997). Cullen (2004,
pp. 282–83) in his study on identifying sectoral management cultures through press recruitment advertising, found that whilst ‘job advertisements are principally conceived to recruit the best staff … they also serve to lay certain sectors and professions open to scrutiny… As such they are public documents that provide raw material for cultural and occupational analyses.’

There is considerable evidence that conveying clear, specific and complete information in advertisements and early recruitment materials is advantageous in the search for the most appropriate candidate (Breaugh & Starke, 2000; Freeman 2005). Backhaus (2004) explored corporate recruitment descriptions on <Monster.com> the largest Internet recruitment site in the USA. She noted that the content of recruitment advertising is critical in establishing the first link to appropriate potential employees. Consequently, an effective advertisement will be worded in such a way as to ‘pique the curiosity’ of the desired potential workers and encourage them to continue through the application process. Whilst online recruiting is increasing in popularity, in 2004 it was still second to print advertising as preferred method (Gautam, 2005). One of the advantages of press advertising is that it can reach a wider audience than just those actively seeking a position. Consequently it can attract people who may not necessarily be considering changing employment but who become interested because of the advertisement. Moreover, well-presented, strategic advertising can help to promote the organisation’s goals and public relations (Freeman, 2005, p. 92).

Given the importance of the public image of nonprofit organisations; the centrality of mission and values to the worker-organisation fit and the investment organisations have in human resources, it is reasonable to assume that, on balance, the sector pays particular attention to its recruitment advertising. What is more, the sector’s recruitment advertisements provide a unique perspective on the image organisations choose to project and the view they have of their ideal worker.
4.6 Summary

The careers literature gives a fair impression of the employment context for nonprofit community services. Nonetheless it is an incomplete picture. The majority of the Australian studies were conducted over 12 years ago. The global rise of neo-liberalism in Western democracies has seen unprecedented change in employment and in organisations in the past decade. Moreover, few, if any of the studies have combined the organisational and the individual perspective on nonprofit careers. This study’s research questions on the role of organisational values in the recruitment and selection of nonprofit managers addresses both perspectives. Furthermore, it uses the essential common denominator of organisational values as the focus.
Chapter 5: Methodology

‘There is nothing like looking if you want to find something… You certainly usually find something if you look, but it is not always quite the something you were after.’

J R R Tolkien, (1937, p. 78)

5.1 Introduction

The central research question of this study is: What role do organisational values play in the recruitment and selection of senior executives and managers in nonprofit community service organisations? The literature chosen to inform the study and address the question came from three sources: the nonprofit sector, values and careers.

The literature in Chapters 2, 3, and 4 confirmed that values are a significant force in nonprofit community service organisations. Values underpin the core purpose and still play a major role in the motivation of employees. The literature also identified the pressures and tensions experienced by organisations operating with government funding in the current neo-liberal political and economic context. These tensions are particularly evident between the economic operations and requirements of organisations and the social justice purpose and activities.

The literature on values in Chapter 3 identified that organisational values need not be formally articulated to be operational in decision making. Moreover it is possible for organisations to operate in a value plural environment with more than one set of values guiding decisions. In such a context the values that influence a decision may become incommensurable. In such circumstances a resolution to that decision can only be reached
when one set of values is given precedence over the other. Consequently, making effective decisions in a value plural environment requires skill, knowledge and practical wisdom.

The careers literature showed that the boundaryless career has always operated to some extent in nonprofit community services. However in the last 15 years or so it has increased. In a neo-liberal political and economic context, the movement has been, not only between organisations, but also across sectors. This cross-sectoral movement appears to be driven both by individuals looking for a different employment environment to the for-profit sector and nonprofit organisations looking for efficient and effective management and leadership.

The conceptual framework developed for considering the impact of value pluralism on the human resource policies in nonprofit community service organisations identifies the tension, contradictions and incommensurability that occur in a value plural context. It also identifies the human resource and particularly recruitment strategies employed by organisations to deal with this tension. Finally it identifies the inevitable implications that the value plural context and the related human resource strategies have on the careers of employees, organisational development and direction and on sector identity in general. In order to explore the original research question and the applicability of the conceptual framework to understanding the current context, the research question was unpacked and broken down into the following subordinate questions.
5.2 Research questions

What role do organisational values play in the recruitment and selection of senior executives and managers in large nonprofit community service organisations?

- What are the espoused organisational values operating currently in nonprofit community services?
- What other values, espoused, implied and/or enacted, underpin priorities and decision making in organisations, including management recruitment?
- Are organisational values relevant in the choice to work in nonprofit community services?
- How do nonprofit workers perceive organisational values in the work and management of nonprofit organisations?
- How are the organisation’s values included or not included in the recruitment process for managers and CEOs? i.e.:
  - background to the recruitment campaign
  - conceptualising the ideal candidate
  - advertising
  - interviewing.
- What significance did values have in the appointment of CEOs?
- What messages do recruitment processes send about organisational priorities and position requirements?
- How do nonprofit workers view senior management appointments, in terms of what they reflect about nonprofit organisations, management and appointments?
- What are the career implications for employees?

Grounded theory was chosen as the methodology best suited to addressing the primary and subordinate research questions in the study.
5.3 Grounded theory

Glasser and Strauss (1967) encouraged researchers to use grounded theory strategies flexibly to suit their own requirements (Charmez, 2006, p. 9). Essentially, grounded theory is developed inductively from a body of data. It starts with a research situation in which data is collected through the researcher’s observation of and interaction with the actors and the context. It is emergent theory, developing from the constant comparison of data as it is collected, analysed and tested against previous data and developing theoretical propositions. It is a recursive method during which literature becomes relevant as the analysis unfolds. Grounded theory takes a reflexive stance to research and requires researchers to consider how their theories evolve.

In this chapter the research situation is described and the strategies used to develop the emergent theory are explained.
5.4 The research situation

Whilst it is an accepted fact that one of the salient differentiating features of nonprofit community service organisations is their socially responsible values base, much of the literature is over a decade old. Consequently it is not specifically located in the Australian neo-liberal political and economic context.

Careers within the sector in Australia were last studied in 1995 by Onyx and MacLean. A cross-sector analysis of careers in Australia was last published in 1998 by Onyx. Career moves between the sectors have existed and were documented by Lyons over 15 years ago. In 2002 popular media foreshadowed and encouraged transitions into the sector, embracing the benefits of business approaches. Nonetheless, there is no recent research into the phenomenon.

Consequently, it is timely to understand what is happening in Australian nonprofit community services in relation to values and their role in the appointment of managers and executives whose quintessential task is leadership.
5.5 Unit of study

The unit of study is nonprofit community service organisations. They were chosen for the following reasons.

• They represent the community’s response to welfare needs.
• In the past they have been the innovators of service provision.
• Traditionally they have been established by a community movement or interest to meet an unaddressed need.
• They are the recipients of donations, bequests and philanthropic foundation funding based on their mission, values and their work.
• There is a range of organisational structures and sizes that provide career opportunities at all levels of management.
• They are the organisations that are called on to speak, consult and advise governments on welfare provision and welfare reform.
• Many of the large organisations have a substantial capital base and their size permits economies of scale that allow for capacity building programs for the sector in addition to the direct service provision. Such programs include leadership training and research and development.
5.6 Epistemological position

The epistemological position adopted for the study is one of social constructivism, also referred to as social constructionism. It suggests that:

‘… social phenomena and their meanings are continually being accomplished by social actors …and … social phenomena and categories are not only produced through social interaction but that they are in a constant state of revision.’

(Bryman, 2001, p18)

5.6.1 Social constructivism

Construction and reconstruction challenges the idea that organisations and culture are pre-given external realities in which actors are shaped but have no role in shaping.

Social constructivism recognises that culture is a reality that exists prior to an individual or group of individuals’ actions and that it shapes views and perceptions. It is a point of reference. However the constructivist position maintains that culture is not static but dynamic, in a constant process of change and formation as a result of the actions and reactions of individuals. People create and adapt cultural understandings continuously because new challenges require new interpretations and applications every day. New situations are understood through the recognition of similarities and differences that require crafted approaches that then in turn shape and reshape cultural understandings (Becker, 1982, p. 521). Moreover the categories that aid understanding in the natural and social world are also social constructions. Categories such as ‘poor’ and ‘rights’ do not have an inert essential meaning, they are constructed, changed and reconstructed as they are used by and interact with actors in the social world. Their meanings are ephemeral. What constitutes ‘poor’ and is understood as ‘poor’ in one place and time is different to another (Bryman, 2001, p. 18).
Social constructivism not only focuses on what people understand to be real but also on how they construct and act on their understanding of reality (Charmaz, 2006, p. 127). Silverman (2004, p. 140–42) maintains that it is important to understand how people construct meanings and actions before one can analyse why they act as they do. The process of meaning creation is as important as the meaning itself.

Social constructivism lends itself to interpretive theory which maintains that the …

‘the very understanding gained from theory rests on the theorists interpretation of the studied phenomenon. … (It) assumes emergent multiple realities; indeterminacy; facts and values as linked; truth as provisional; and social life as processual.’

(Charmaz, 2006, p. 126)

It allows for the imprecise, uncertain and undefined and acknowledges that knowledge is indeterminate. It focuses on patterns and connections rather than linear reasoning. The how a view is arrived at is as important as what that view is. It situates knowledge and theories in particular positions, perspectives and experiences that recognize the scope, depth, power and relevance. Moreover, interpretive theory acknowledges the subjectivity in theorising (Charmaz, 2006, pp.126–27).

Interpretive theory is central to the process of constructivist grounded theory. It brings together the epistemological position of this study with the methodology. Social constructivism acknowledges that the researcher’s view of the social world is also a construction, a version of social reality. Thus it is as important to attend to the interview process as it is to the interview products and it is critical to attend to both in ways that are sensitive to the social construction. The interviewer is acutely and inextricably involved in creating meaning that resides within the participants (Briggs, 1986; Charmaz, 2006; Cicoutel, 1974; Holstein & Gubrium, 2004; Manning, 1976; Mishler, 1986, 1991; Silverman, 2001). How this meaning-making process unfolds in the interview is central to understanding the views expressed. In studying a phenomenon, social constructivism acknowledges that both the data and analysis is created from shared experiences and
relationships with participants and other sources (Charmaz, 1990, 1995, 2000, 2001, 2006; Charmez & Mitchell, 1996). It not only theorises the interpretive work that research participants do, but it also acknowledges that the resulting theory is an interpretation (Bryant, 2002; Charmez, 2000, 2002, 2006).

The social constructivist approach attends to distinctions and differences, such as hierarchies, power, communication and opportunity; observing when they arise, under what conditions and how they are maintained. It focuses on how experiences are embedded in larger and often hidden, positions, networks, situations and relationships (Charmaz, 2006, pp. 130–31).

Social constructivist research assumes that the data and analysis are both social constructions that reflect their creation and all that it entailed (Bryant, 2002, 2003; Charmaz, 2000; Hall & Callery, 2001; Thorne, Jensen, Kearney, Noblit & Sandelowski, 2004). The analysis is contextualised in time and place; culture and situation. Facts and values are linked, which acknowledges that what is seen and not seen rests on values. Social constructivist research is aware of the presuppositions the researcher brings to the process and tackles how those presuppositions affect the process and outcomes. It places particular emphasis on starting assumptions so that preconceived ideas are not imported unawares. Social constructivism fosters researchers’ reflexivity about their own interpretations as well as those of their participants (Bryman, 2001; Charmaz, 2006).

In this study, the role of values in the recruitment and appointment of managers and senior executives was explored from the viewpoints of the social actors involved and/or affected directly. Essentially the study is inductive and exploratory. As identified above, the beginning point in this process was to critically reflect on the researcher’s starting assumptions. The following short description locates the researcher in relation to the study.
5.6.2 The researcher

The researcher was raised in a family where her mother was a social worker and her father was a teacher. In short, she was taught that the purpose of work was to make the world a better and fairer place for all. Social justice and humanitarian values were important.

In her own career, the researcher has been involved with nonprofit community services for over 25 years. This has included positions in direct service provision and governance. She has also worked in government departments that interface with nonprofit community services. For the past decade the researcher has worked in an academic position at the University of Technology Sydney, teaching and researching in nonprofit management. The teaching program is postgraduate – consequently the majority of the students are purposefully pursuing careers in the sector. The combination of the researcher’s contacts through her own work in the nonprofit sector and the alumni from the Community Management Program is an extensive network across the spectrum of organisations and industries in community services. The researcher is actively engaged with this network sitting on advisory committees and recruitment selection panels, presenting at conferences and workshops, providing pro bono management advice and training.

In relation to conducting the study the researcher’s background had a number of advantages. She came to the literature and the research with an extensive and deep understanding of the sector that included theory and practice. She had an established reputation as a practitioner and teacher that gave her credibility across the wide-ranging network of contacts. She was able to quickly and easily establish a trusting and productive rapport with the research participants. Finally her ideas for communicating the research findings and their use encouraged interest and participation in the study.

Needless to say along with the benefits of the researcher’s background, there were also disadvantages. The most concerning of the disadvantages was bias and assumptions,
however deeply buried, about the likely findings. The research process required the researcher to start by examining her biases and starting assumptions so that they would not be imported unawares. Her predisposition towards social democracy and social justice were identified and unpacked – as were her concerns about the impact of neoliberalism on disadvantaged members of the community and the nonprofit organisations that support them with services. This process of identification at the outset introduced a level of rigor in the ongoing working with the data. She took particular care with the coding, making connections between the categories and identifying themes to ensure that her biases and assumptions were not driving the process.
5.7 Methodological strategies

5.7.1 Triangulation

Triangulation is the use of more than one research method and/or source of data in the study of social phenomena (Bryman, 2001, p. 274). Originally it was developed by Webb, Campbell, Schwartz and Sechrest in 1966 as a way of creating greater confidence in the findings of a study. More recently it has been used as a way of cross-checking findings by the use of both quantitative and qualitative research methods (Deacon, Bryman & Fenton, 1998). However, its real strength in this study is that it provides different lenses through which to explore the research questions, thus providing greater depth and a more complete overall picture.

This study involved three separate pieces of research. The first was a multivariate content analysis of recruitment advertisements. This used both quantitative and qualitative methods. The recruitment advertisements provided a picture of what organisations in the sector were wanting in their ideal candidates. They reflected the skills, knowledge and experience desired to address the demands of the operating context as it was then and perceived to be in the immediate future. Furthermore, they reflected the way organisations in the sector were choosing to image themselves to prospective applicants. The recruitment advertisements were unique lenses in this respect.

The second piece of research drilled down from the overview of the ‘ideal’ candidate provided by the recruitment advertisements to the real appointment of CEOs. It included the analysis of 22 in-depth interviews supported by diary, field notes and memos. It used a qualitative methodology. It provided data on actual appointments from the point of view of the Chair of the selection panel and the newly appointed CEO. These interviews, diary entries, field notes and memos represented the reality in appointments and the priorities that emerged in the process when organisations are faced with the reality of a selection.
The final piece of research was the quantitative analysis of a questionnaire. It addressed the flow on effects for staff of the priorities in management appointments. It allowed for data to be collected from a reasonably large sample of committed workers in the sector. Moreover, it provided a cross section of views from a range of organisations and management positions.

One piece of research with a single methodology could not capture the breadth and depth of information acquired through the three triangulated pieces of research in this study. The methodology for each piece of research is detailed below.

### 5.7.2 Research one: content analysis of press recruitment advertisements

Content analysis identifies and examines words and phrases in single and multiple communications for meaning beyond the apparent. It identifies words and phrases, looking at frequency, concepts and relationships. Inferences are drawn about the explicit and implied messages taking into account the author(s), audience, time, place and ‘wider cultural context of which they are a part’ (Rose, 2001, p. 55). The material is broken down and coded into categories. It is a process of selective reduction. It requires both explicit and implicit coding. Explicit coding addresses the overt, visible content. Implicit coding addresses the implied content at a latent level. It ‘relies on judgment-calls based on a more overtly subjective system’ (Sproule, 2006, pp. 115–16).

Berelson (1952) defined the major purposes of content analysis which included identifying ‘the intentions, focus or communication trends of an individual, group or institution’ (Sproule, 2006, p. 115). Cullen (2004, pp. 282–83), in his study on identifying sectoral management cultures through press recruitment advertising, found that whilst ‘job advertisements are principally conceived to recruit the best staff … they also serve to lay certain sectors and professions open to scrutiny… As such they are public documents that provide raw material for cultural and occupational analyses.’
In this research, press recruitment advertisements for nonprofit, non-government, community services management positions were analysed. Both implicit and explicit coding was employed.

**5.7.2.1 Scoping the press recruitment advertisements**

One hundred recruitment advertisements a year over a seven-year period (2002 – 2008) were randomly selected from *The Sydney Morning Herald*, the leading newspaper in New South Wales. The recruitment advertisements were for management positions at all levels, in nongovernment and nonprofit community service organisations.

**5.7.2.2 Data management and analysis of recruitment advertisements**

SPSS, Statistica and Excel were used to analyse the multivariate data from the content analysis of the recruitment advertisements (Bryman, 2001, pp. 178–93; Siegel, 2000, pp. 468–544). A qualitative approach was also employed in the content analysis to see what other themes emerge from the data. A detailed example of the analysis is included in Chapter 6, Recruitment Advertising.

**5.7.3 Research two: in-depth interviews**

The newly appointed CEO and the Chair of the selection panel from 11 nonprofit community service organisations participated in the interview research. All the organisations were located in Sydney although a number of the larger organisations had branches in regional and country areas as well as interstate.

The interviews were semi-structured, focussing on the organisation’s purpose and needs and the recruitment and appointment processes. At the end all participants were asked about the management challenges in the sector in general and any generic skills, qualities and attitudes needed for leadership.

The interviews were taped with the permission of the interviewee and extensive notes were taken.
5.7.3.1 Participating organisations
Initially four organisations were approached with the request to interview up to five members of the organisation about a recent senior appointment. They were to be:

- the Chair/senior member of the selection panel responsible for the appointment
- the CEO if he/she is not the same person as the member of the selection panel
- the appointee
- another senior manager at the same or similar level
- a middle manager.

Three of the organisations selected were known to the researcher through her networks in the sector. All four organisations were approached through the CEO. This was done initially with a phone call during which the request was made but a response was not sought. It was followed with an email explaining the research and then a second phone call to discuss participation. The above proposal was not accepted by any organisation. Only access to the CEO and the Chair of the selection panel was given. These eight interviews constituted the pilot process. As a consequence the sampling was altered. Organisations which had recently advertised and appointed a CEO were approached with the request to interview the CEO and the Chair of the selection panel. This proved fruitful.

Organisations were selected in a purposeful sampling process (Spradley, 1979) based on the following variables.

- **Organisational size.** The dimensions developed by the 1995 Industry Commission report on Charitable Organisations in Australia and the Australian Nonprofit Data Project were used as a guide to establishing size.

- **Service type.** The range of organisations included single service types to a specific group of service users, such as a disability employment service, to multifunctional organisations that had a range of service users such as the Salvation Army.

- **Location.** The locations ranged from a single service location to multiple metropolitan, regional, country and interstate locations.
• **Recent CEO appointment.** The most recent appointment was within the first month of commencing in the position and the least recent had been working in the position for 18 months.

Other variables emerged through the interview process. They were internal/external appointments and the use of recruitment companies.

The organisations were identified through the recruitment advertisements and the researcher’s networks. Over a two year period, 19 organisations were approached. Eight declined to participate and eleven accepted. As with the pilot interviews, initial contact was made through the CEO by phone and followed up with an explanatory email (Appendix 1 Email Introducing the Research). All the interviewees selected the interview location. The CEO interviews all took place at the organisation. The Chairs’ interviews varied in location from at the organisation, the Chair’s home, place of work, a hotel, a restaurant and the researcher’s home.

5.7.3.2 **Data management and analysis of interviews, recruitment and organisational materials**

The data was recorded using a tape recorder and detailed written notes. The interview transcripts, organisational and recruitment materials, diaries and memos were managed and coded electronically. The computer-assisted qualitative data analysis software NVivo was used to code the data. From the outset the coding was fluid, with constant review and revision. It included recursive data collection and analysis using the following processes:

- open coding of concepts categories
- making connections between the categories
- making relationships between the categories
- identifying where categories needed more refinement and/or development
- identifying themes and testing and retesting their strength.

(Bryman, 2001, pp. 388–401)
5.7.3.3 Diary, field notes and memos
The diary notes became relevant during the initial musings when the idea for the research first began. From that point on field notes and memos were collected. In essence they were ongoing reflections and theoretical notes from the literature. The field notes were observations not available in text or interview transcriptions. They included, but were not limited to:

- observations and information about the participating organisations, the Chair, the appointee and the sector that were acquired through informal interaction
- information provided by the participating organisations, including their websites observations from the interviews.

The memos were a part of the dynamic process of identifying concepts, categories, relationships, themes and theory. They were linked to the data and other memos creating additions, alterations and changes to the analysis and emerging theory.

5.7.3.4 Data management and analysis of diary, field notes and memos
Essentially the diaries, field notes and memos were managed and coded electronically with the interviews using NVivo.

5.7.5 Research three: questionnaire on the nonprofit sector
The purpose of this piece of research was to obtain the views of managers and workers about management appointments in their own organisation and what those appointments reflected about the organisation’s priorities and strategies for managing in the current context. As mentioned above, originally the design for this research was to interview some of the managers and workers in the organisations that were participating in the Chair and CEO interviews. However none of them agreed. The design was clearly too intrusive for the organisations’ comfort. Consequently a different method was required to obtain the views of managers and workers and as a result the questionnaire was developed.
The questionnaire afforded a broader sample and so it was used to obtain the views of non-government, nonprofit community service employees who were working at all organisational levels and who were committed to the sector. In addition to demographic information, the questionnaire included 29 statements referring to values, organisation and sector priorities and management appointments. Participants were required to respond to the statements on a four point Likert-type scale. This is a psychometric scale that requires respondents to identify a level of agreement to a statement. The four point scale was chosen specifically to elicit a positive or negative view and to avoid neutral answers. The questionnaires were completed anonymously.

The participants for the questionnaire were committed workers in the nonprofit sector. Commitment was determined by voluntary involvement in learning activities specific to the sector and community services. The rationale was that voluntary participation in conferences, short courses and formal accredited studies represented a desire to increase knowledge and skills and to ensure best possible professional practice. There were two assumptions made about this selective sampling. The first was that committed workers would have informed views about their work, their organisations and the sector. The second assumption was that this form of sampling would eliminate, as much as possible, the participation of workers passing through the sector as a temporary means of income.

Over a two year period, questionnaires were distributed to interested students in:

- the Masters of Management (Community) course at the University of Technology Sydney (UTS)
- short courses conducted by the Centre for Community Welfare Training
- relevant seminars and conferences at UTS and the New South Wales Council for Social Services (NCOSS).

After eliminating 38 questionnaires that were incomplete or had more than one response identified for a question, there were 212 questionnaires used in the analysis.

5.7.5.1 Data management and analysis of questionnaires
Statistica and SPSS (statistical software packages for the social sciences) were used to analyse the multivariate data from the questionnaires (Babbie, Halley & Zaino, 2007, pp.
5.8 Ethical considerations

Ethics approval was sought and received through the University of Technology Sydney’s Ethics Committee on 19th October 2005. A copy is included in Appendix 2 (Ethics Approval Email attachment from the Chair UTS Human Research Ethics Committee).

5.8.1 Interviews

The overriding ethical consideration was confidentiality. It was critical to secure trust around this issue so that participants felt free to disclose frankly. This was particularly important given the power differential between the Chair of the selection panel who, in all cases but one, was also the Chair of the organisation’s Board. It was because of the power differential that initial contact was made through the subordinate party, the CEO. In this way the CEO could refuse without the Chair having any knowledge of the approach. It eliminated the possibility of coercion at this point.

Prior to the interview a consent form was emailed to the participants (Appendix 3 Participant Consent Form). It was discussed and signed at the interview before it commenced. The methods used to ensure confidentiality were outlined and participants were asked if they had any concerns or suggestions for additional or alternative methods. The notes and tapes were coded with pseudonyms at the interview so that from the outset participants were not identifiable.

Six participants were known to the interviewer prior to the interviews and may have felt obliged to participate as a favour. This issue was raised and discussed with each of the participants prior to consenting to be interviewed. None expressed any concern about obligation and favours.
5.8.2 **Questionnaires**

The questionnaires were completed anonymously. No individual questionnaire could be identified as belonging to a particular person or organisation or from a particular group that was sampled. All participants were entirely voluntary. Questionnaires were distributed at the beginning of a teaching and conference session and participants placed completed questionnaires in a large envelope at the end of the session. It was impossible to identify who had completed questionnaires and who had not. There was no coercion, only encouragement and appreciation.

5.8.3 **Deception**

There was no deception employed in any part of the research.
5.9 Limitations of the study method

The main limitation with this study is that the data was gathered, coded and analysed by one researcher, the doctoral student. It has had the benefit of supervision that has ensured consistency and provided direction. Nonetheless, the creativity that is generated by a group of researchers with different backgrounds, perspectives and expertise was not part of the process.

Another limitation is the number of participating organisations in the interviews. It would have been desirable to have a larger group simply to add weight to the findings. However, within the timeframe, seeking newly appointed CEOs from organisations with specific characteristics for a representative sample limited availability.

The recruitment advertisements became a random sample of 100 per year when in 2005 the researcher’s mother (a much loved octogenarian with a failing memory) cleaned up one day and threw out a large (and may it be said neatly stacked and ordered) pile of newspapers and clippings. In the interests of comparisons, a sample of advertisements from the same months each year would have been tighter. Again, a larger sample would have added weight to the findings.
Chapter 6: Recruitment Advertising

‘You look for stars. You look for the makeup of artists who can have long lasting careers and who could be headliners.’

Clive Davis (b. 1932) American record producer

6.1 Introduction

As discussed in Chapter 2, nonprofit community service organisations provide social justice services with the single purpose of improving the lives of those in need and as a consequence the well-being of the community as a whole. These organisations are built on values such as ‘the commitment to a just society’ and ‘the creation of a world that no longer tolerates poverty’. During the era of the welfare state (1950s–1970s), their values distinguished them from government provision and consequently they were known as non-government organisations (NGOs). In the neo-liberal, post-welfare-state context the binary is different. It is now between for-profit and nonprofit organisations. Nonetheless, the distinguishing factor remains the same and this is the organisational values – the single purpose of service provision without political, shareholder or profit imperatives. The organisational values are one of the central reasons why people choose to work and volunteer in nonprofit organisations and they are the reasons donors give, bequests are made and philanthropic foundations provide funds. These values have defined non-government, nonprofit organisations’ purpose, work and practices for centuries.

The unique features of managing a nonprofit community services were described in detail in Chapter 2. In short, they are:
• the legal restriction on the distributions of organisation earnings
• the variety of revenue sources
• the complex governance structures
• the value expressive nature of the work and organisation
• the trade-off for employees between extrinsic remuneration and the intrinsic satisfaction gained from working in the sector
• the dual workforce of paid employees and volunteers.

As Lyons (1992) identified, managing a nonprofit organisation differs considerably to managing a business or government agency of similar size.

Nonprofit community service organisations face a unique set of management challenges. In addition to the above structural and operational differences, there are the changes in government policy such as the outsourcing of traditional government services, outcomes-based government funding agreements and competitive tendering with for-profit businesses. The ways in which organisations address these challenges have created a dichotomy between so-called ‘backward looking’ organisations with a welfare and welfare-state culture and ‘forward thinking’ organisations with an entrepreneurial business orientation and modus operandi.

Chapter 4 outlined the movement in careers since the 1990s. It identified literature (Stein, 2002) and media reports (Business Review Weekly, 2005; Brisbane Courier Mail, 2002) that foreshadowed on one hand the emergence of a ‘business’ style nonprofit culture and on the other hand the emergence of managers and leaders with cross sectoral, ‘boundaryless’ career paths.

The critical role that effective recruitment practices play in organisational success and leadership has received considerable attention over the years (Cable & Judge, 1994, 1996; Chatman, 1989, 1991; Judge & Bretz, 1992; Schneider, 1987; Wanous, 1977, 1992). A consistent finding is that people join, succeed and stay with organisations where there is a strong alignment between the organisational culture and values and the individual’s values and direction. People ‘seek jobs with employers whose moral values
match their own’ (Scott, 2000, p. 425). Moreover, as identified in Chapter 4, a clear alignment between organisational mission and values and an organisation’s strategic direction and activities is essential to an organisation’s success. It is also essential for a healthy work environment (Vogelsang, 1998, p. 2). It is an organisation’s leaders that are significant in forging the mission and values within and throughout the organisation’s activities.

A crucial step in finding the right person to lead within an organisation is designing an effective recruitment advertisement. Backhaus (2004, pp. 115–116) explored corporate recruitment descriptions on <Monster.com>, the largest Internet recruitment site in USA. She noted that the content of recruitment advertising is critical in establishing the first link to appropriate potential employees. Consequently, an effective advertisement will help potential applicants to self select. It will be worded in such a way as to ‘pique the curiosity’ of desirable applicants and encourage them to continue through the application process. In the same way it will discourage unsuitable applicants from applying. Cullen (2004, pp. 282–83), in his study on identifying sectoral management cultures through press recruitment advertising, found that whilst ‘job advertisements are principally conceived to recruit the best staff … they also serve to lay certain sectors and professions open to scrutiny… As such they are public documents that provide raw material for cultural and occupational analyses.’ Both these studies suggest that in the recruitment process advertising is critical to the outcome and that the style of advertising can reveal more than just a position vacant.

This chapter reports on the findings of the first study in this thesis. It is the content analysis of management recruitment advertisements for nonprofit community service organisations. Recruitment advertisements are framed with the ideal candidate in mind. As such they are a valuable lens for viewing how the sector is imaging itself and what it considers desirable in management and leadership in this current context. It is an opportunity to see if the sector differentiates itself along the aforementioned lines seeking candidates experienced in the management context and challenges unique to the sector over the last seven years.
6.2 Methodology

The methodology in this study draws on the two previously-mentioned studies of recruitment advertisements, Backhaus (2004) and Cullen (2004). This current study analysed the content of 700 recruitment advertisements for managers in nonprofit sector community service organisation. One hundred advertisements a year over a seven-year period (2002–08) were randomly selected from The Sydney Morning Herald, the leading newspaper in New South Wales. The frequencies of a number of variables were identified in the content analysis and compared. The variables for analysis were identified through an initial pilot that recorded position characteristics and advertisement differences in 50 advertisements from 2002. These variables are presented in Table 6.1.

<table>
<thead>
<tr>
<th>Content analysis variables</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td>2002, 03, 04, 05, 06, 07, 08</td>
</tr>
<tr>
<td>Location</td>
<td>capital, regional, country</td>
</tr>
<tr>
<td>Industry</td>
<td>aged care, disability services, substitute care, housing, children’s services, youth services, family services, counselling, employment services, multifunctional, not mentioned, religious</td>
</tr>
<tr>
<td>Position level</td>
<td>CEO, reporting to the CEO, divisional manager, team leader</td>
</tr>
<tr>
<td>Qualifications</td>
<td>industry, business, management, relevant, none</td>
</tr>
<tr>
<td>Experience</td>
<td>sector, industry, business, management, research, CEO, local community</td>
</tr>
<tr>
<td>Mission</td>
<td>explicit, implied, not stated</td>
</tr>
<tr>
<td>Values</td>
<td>explicit, implied, not stated, essential to work within the organisational values, desirable to work within the organisational values</td>
</tr>
<tr>
<td>Language</td>
<td>sector/industry, business, managerial, neutral</td>
</tr>
<tr>
<td>Organisational size</td>
<td>small, medium, large, extra large, no indication of size</td>
</tr>
<tr>
<td>Recruitment</td>
<td>agency, organisation</td>
</tr>
</tbody>
</table>

Table 6.1: Variables identified in the content analysis
To identify organisational core purpose or mission and values, Vogelsang’s (1998) definitions were used. The mission is…

‘the primary and sustaining reason why an organization exists. It is an agency's particular and unique niche or place. A Core Purpose is not an agency’s core businesses or services but the underlying reason for those services. If an agency stopped doing this, it would no longer be what it is.’

(Vogelsang, 1998, p. 1)

Core values are…

‘…principles, tenets, and standards that provide a basis for action and a foundation for decision making. Core Values become mental habits that influence how people act toward each other, clients, the public and external stakeholders. Core Values rarely change; activities and services often change to be more in line with Core Values.’

(Vogelsang, 1998, pp.1-2)

Finally the advertisements were analysed and categorised into the following language groups: industry, business, management and neutral. An advertisement was allocated to a category when the majority of the descriptive language relating to the organisation and the position was from that category. Examples of the language analysis are in Appendix 4. (Examples of Recruitment Advertisement Content Analysis). The variables for all the advertisements were recorded on an Excel spreadsheet.
6.3 Results

The results are presented in four parts:

1. jobs and organisations (6.3.1)
2. the ideal candidate (6.3.2)
3. imaging the sector (6.3.3)
4. trends over time (6.3.4).

6.3.1 Jobs and organisations

In the following tables the descriptive frequency data is represented in percentages.

6.3.1.1 Industries
There were 11 different industry/service type categories identified. These are listed in Table 6.2 below, along with those advertisements that did not mention any industry and those that identified as religious organisations. The categories are based on Lyons’ (2001, p. 33) definition of community services with the inclusion of employment services. These are included because Job Network (the outsourced Commonwealth Employment Service since 1998) became a significant part of the large multifunctional organisation’s service provision.
<table>
<thead>
<tr>
<th>Service type</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>(N= 700)</td>
<td></td>
</tr>
<tr>
<td>1  Aged care</td>
<td>11</td>
</tr>
<tr>
<td>2  Disability</td>
<td>19</td>
</tr>
<tr>
<td>3  Substitute care</td>
<td>1</td>
</tr>
<tr>
<td>4  Housing</td>
<td>2</td>
</tr>
<tr>
<td>5  Children’s services</td>
<td>5</td>
</tr>
<tr>
<td>6  Youth</td>
<td>8</td>
</tr>
<tr>
<td>7  Family services</td>
<td>8</td>
</tr>
<tr>
<td>8  Counselling</td>
<td>2</td>
</tr>
<tr>
<td>9  Employment</td>
<td>7</td>
</tr>
<tr>
<td>10 Health</td>
<td>12</td>
</tr>
<tr>
<td>11 Multifunctional</td>
<td>22</td>
</tr>
<tr>
<td>12 Not stated</td>
<td>3</td>
</tr>
<tr>
<td>13 Religious</td>
<td>35</td>
</tr>
</tbody>
</table>

Table 6.2: Distribution of advertisements by service type

The services are only listed once. So, for example, if a service offered accommodation to people with a disability it is listed as a disability service not an accommodation service. Local council, i.e. local government services, are not included, which excluded many childcare, and aged care services. Health services did not include medical or dental services. They were services that provided social support and advocacy such as Canteen, Alzheimer’s Australia and drug and alcohol services. Religious organisations provided 242 services. These services are also listed by service type. It is difficult to compare the frequency of organisations by service type with any Australian statistical data. This is because data on services in the sector from both the Australian Bureau of Statistics and the Australian Council of Social Services takes the service as the unit of measure, not the organisation. Consequently, multifunctional organisations do not exist in these data sets.
The following charts show the frequency of advertisements for each of the 11 industries and those advertisements that did not state an industry over the seven year period.

The vertical axis is the number of advertisements and the horizontal axis is the year.

1  Aged care
2  Disability services
3  Substitute care
4  Housing
5  Children’s services
6  Youth services

Figure 6.1: The frequency of advertisements by industries 1–6 by year

Not surprisingly, for the industries with larger advertisement number such as aged care and disability services, it is possible to attribute the decreases and increases in advertising to various government initiatives.

Aged Care received two significant budget increases during the seven year period. The first was $513.3 million in the 2004/2005 budget (NSW Government Bills Digest No.
The second increase was in the 2006/2007 Federal Budget with a five year roll out plan. The Howard government committed to invest more than $6.9 billion in 2006–07 for the support of older Australians, both in aged care homes and in their own communities. The total commitment for new initiatives over the five year period was $108.3 million. Additional funds were dedicated to extend existing programs, bringing the overall total to $311.3 million (Australian Government Department of Health and Ageing, *Ageing Budget 2006–07*, 2006). Both these injections of funds match the steady increase in recruitment advertisements from 2005 –2007. In 2008, after the Rudd Labor government was elected (November 2007), the number of advertisements in the aged care industry dropped. This could reflect the uncertain future of the $311.3 million commitment.

Disability Services funding and government initiatives are also reflected in the increases and decreases of recruitment advertisements. In 2004, the NSW State Government changed the funding of Post School Options and Adult Training, Learning and Support Services (PSO and ATLAS) for young people with severe disability, from individualised and portable grants of financial assistance to block funding grants to disability service providers. It included a commitment to raise annual funding for the new programs from just over $50 million in 2004 to over $60 million by 2007/2008 (Tebbutt, 2004). In July 2005 the Howard Coalition government gained control of the Senate. It passed legislation that had been twice blocked, which changed the eligibility to the Disability Support Pension. Disabled people assessed as able to work for award wages for 15 hours a week were no longer eligible for a Disability Support Pension (DSP). The previous benchmark was 30 hours (Centrelink, 2005). In 2007 the Federal Government sent a percentage of vocational rehabilitation services to tender on the open market. Previously they had been provided solely by the Commonwealth Rehabilitation Service (CRS) (Australian Government, *Explanatory Statement Disability Services [Rehabilitation Services] Guidelines 2007*).
The vertical axis is the number of advertisements and the horizontal axis is the year.

7  Family services
8  Counselling
9  Employment services
10 Multifunctional
11 Health
12 Not mentioned

Figure 6.2: The frequency of advertisements by industries 7–12 by year

In 2004, the Federal Government committed $365 million for family services. This was spent over the next four years, principally in support of early intervention programs for children and families at risk (McGrath, 2004).

The Active Participation Model was introduced to Job Network employment services in 2003. It represented a major change requiring job seekers to engage more actively with their Job Network service which in turn increased the involvement and workload of the agency. In the 2003/2004 Federal Budget the Job Network Program received additional funding of $33.817m in 2003–04, $80.061m in 2004–05, and $33.611m in 2005–06.
(Andrews, 2004). This is when the number of recruitment advertisements peaked. However, by 2006 Job Network was losing its appeal to some service providers. The restrictive contractual requirements particularly that of breeching job seekers for non-compliance saw a number of the large religious multifunctional organisations withdraw their services (The Australian, 18 August 2006). This was reflected in a steady decline in the number of recruitment advertisements for employment services from 2004.

6.3.1.2 Location
The advertisements were categorised according to location.

*Capital* referred primarily to the greater Sydney region although there were some advertisements for all the other capital cities including Canberra, Brisbane and Melbourne.

*Regional* referred to the greater city regions of places such as Newcastle, Wollongong, Tamworth, Albury and Dubbo.

*Country* included towns such as Gilgandra, Cobar, Tenterfield, Nyngan and Cooma.

<table>
<thead>
<tr>
<th>Regional location of service</th>
<th>Capital</th>
<th>Regional</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>% (N = 700)</td>
<td>82</td>
<td>15</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 6.3: Distribution of advertisements by location

The geographical distribution of the location of the services advertising reflected the general distribution of services between capital, regional and country regions in Australia (Australian Bureau of Statistics, 2001). Moreover, as Figure 6.3 shows, the frequency of
Positions advertised in the capital, regional and country areas varied little over the seven year period.

![Location Graph](image)

The vertical axis is the number of advertisements and the horizontal axis is the year.

**Figure 6.3: The frequency of advertisements by region from 2002–08**

### 6.3.1.3 Organisational size
Organisational size was determined by a number of indicators (Appendix 5 Recruitment Advertisements Coding Instructions). They included location/s, service/s, staff size, budget, salaries and awards. Guiding examples of services were provided for example:

- small – Cooroonya Domestic Violence Service, Wangaratta
- medium – Odyssey House
- large – Northcott Society
- extra large – St Vincent de Paul Society.
Organisational size | Small | Medium | Large | Extra large | Not stated
--- | --- | --- | --- | --- | ---
% (N = 700) | 18 | 17 | 15 | 45 | 5

Table 6.4: Distribution of advertisements by organisational size

The advertisements for small, medium and large organisations are fairly evenly distributed, together making up half the total number of advertisements. In terms of size the employment market is dominated by the extra-large organisations. Intuitively this makes sense. There are more employment opportunities per organisation in the extra-large category. What is more, these organisations are more likely to operate with complex structures that include a range of management levels.

![Size](image)

The vertical axis is the number of advertisements and the horizontal axis is the year.

Figure 6.4: The frequency of advertisements by organisational size, 2002–08
The first six years in Figure 6.4 represents the growing strength of the Howard Coalition government, culminating in control of the Senate in July 2005. The trend during this period was to funding larger organisations ostensibly to achieve economies of scale. Nonetheless, the strategy forced many smaller organisations into mergers (Staples, 2006, p. 10). The steady decrease in management advertisements for medium-sized organisations could reflect the trend to mergers. It is mirrored to a degree with increases in advertisements for large and extra large organisations, particularly in 2006. The steady increase in advertisements for small organisations could be the result of location; that is, in regional areas the organisations are more likely to be small because of the smaller populations. Moreover, the smaller the organisation the less career opportunity exists within it and consequently a turnover of management staff would be expected. In 2008, with the exception of the small organisations, there was an overall increase in the management advertisements. This was the first year of the Rudd Labor government.

6.3.1.4 Position level
Table 6.5 shows the percentage of advertisements for each management level. The designation of the positions was determined by title, description, reporting and supervision requirements. Positions such as Divisional Manager managed team leaders and typically reported to the management level below the CEO. An example is a Divisional Manager of Northern Sydney Disability Accommodation Services who reports to the Northern Sydney Area Director of Disability Services, who reports to the CEO.

<table>
<thead>
<tr>
<th>Position level</th>
<th>Team Leader</th>
<th>Divisional Manager</th>
<th>Report to CEO</th>
<th>CEO</th>
</tr>
</thead>
<tbody>
<tr>
<td>% (N = 700)</td>
<td>22</td>
<td>44</td>
<td>22</td>
<td>12</td>
</tr>
</tbody>
</table>

Table 6.5: Distribution of advertisements by position level
Divisional manager was the most commonly advertised position, followed equally by positions reporting to the CEO and team leaders. CEO positions were the least advertised because there are less of these positions in the sector, with only one per organisation.

![Figure 6.5: The frequency of advertisements by position level, 2002–08](image)

The vertical axis is the number of advertisements and the horizontal axis is the year.

The increase in the advertisement for CEOs and to a lesser extent positions reporting to the CEO, from 2003 onwards, may reflect a sector searching for the right type of leadership in the competitive tendering ‘contractualist’ operating context. The decrease in advertisements in 2008 may represent some stability in CEO leadership. As previously mentioned, 2008 was the first year of the Rudd Labor government which made positive overtures to the sector reinforcing its important role. This may have created a climate of career confidence that is reflected in the movement in the team leader and divisional manager positions.
6.3.1.6 Recruitment responsibility
The majority of organisations took responsibility for the recruitment process themselves. This changed little over the seven year period.

<table>
<thead>
<tr>
<th>Recruitment responsibility</th>
<th>Organisation</th>
<th>Recruitment agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>79</td>
<td>21</td>
</tr>
<tr>
<td>(N = 700)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6.6: Distribution of advertisements by the locus of responsibility for the recruitment process

One explanation for the dominance of organisations taking responsibility for their recruitment is that the larger the organisation, the more likely they are to have a dedicated human resources section that would be responsible for advertising.
The vertical axis is the number of advertisements and the horizontal axis is the year.

**Figure 6.6: The frequency of advertisements by the locus of responsibility for the recruitment process, 2002–08**

It is interesting to note the steady decline in the use of recruitment agencies up until 2008. Again, this may reflect the over representation of extra large organisations in the advertisements.

**6.3.1.7 Religion**

A total of 242 advertisements identified that the organisation was religious. Table 6.7 shows the frequency of religious organisations in the different organisational size groups and Table 6.8 is a chi-square showing the significance in the difference. The chi square ($X^2$) statistic investigates whether distributions of categorical variables differ from one another. The top number in the cells is the actual distribution; the italicised number is the predicted distribution.
<table>
<thead>
<tr>
<th>Organisational size</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
<th>Extra large</th>
<th>Not stated</th>
</tr>
</thead>
<tbody>
<tr>
<td>% (N = 242)</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>76</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 6.7: The frequency of religious organisations in the different organisational size groups

<table>
<thead>
<tr>
<th>Organisational size</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
<th>Extra large</th>
<th>Not stated</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not religious</td>
<td>111</td>
<td>105</td>
<td>86</td>
<td>131</td>
<td>25</td>
<td>458</td>
</tr>
<tr>
<td></td>
<td>82</td>
<td>80</td>
<td>69</td>
<td>205</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>religious</td>
<td>14</td>
<td>18</td>
<td>20</td>
<td>183</td>
<td>7</td>
<td>242</td>
</tr>
<tr>
<td></td>
<td>43</td>
<td>43</td>
<td>37</td>
<td>109</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>125</td>
<td>123</td>
<td>106</td>
<td>314</td>
<td>32</td>
<td>700</td>
</tr>
</tbody>
</table>

$X^2 = 143.65$  \hspace{0.5cm} p<0.0000 significant

Table 6.8: Chi-square of organisational size and religious identification

Table 6.8 shows that the larger the organisational size group, the greater the representation of religious organisations. There are a significantly large number of religious organisations in the extra large group, making up well over half the total number. This makes intuitive sense with organisations like Baptist Community Services, Centacare, Sydney City Mission and St Vincent de Paul Society coming to mind. There are also significantly less religious organisations in the large, medium and small sized organisations.
6.3.2 The ideal candidate

The next set of tables relates to the types of candidates that organisations were seeking. They analyse the qualifications and experience requested.

<table>
<thead>
<tr>
<th>% (N = 700)</th>
<th>Qualifications</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>26</td>
<td>62</td>
</tr>
<tr>
<td>Business</td>
<td>8</td>
<td>46</td>
</tr>
<tr>
<td>Management</td>
<td>3</td>
<td>83</td>
</tr>
<tr>
<td>Relevant</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>49</td>
<td>2</td>
</tr>
</tbody>
</table>

The total of the percentages for qualifications and for experience is greater than 100 because more than one type of qualification and/or experience is requested in some advertisements.

Table 6.9: Distribution of advertisements by qualifications and experience

In the selection criteria identified in the advertisements, qualifications were less requested than experience. A total of 59 advertisements requested more than one type of qualification. However, the total number of advertisements that requested qualifications was only 357, which was just over half. The most common qualification requested was industry. Nonetheless, this was still only requested in just over a quarter of the advertisements.
Advertisements that did not identify an industry are not included.

\[ X^2 = 34.35 \quad p<0.0032 \text{ significant} \]

**Table 6.10: Chi-square of industry and industry qualifications**

The chi-square indicates that the industry advertising had a significant influence on the request or not for industry qualifications. Clearly there are some specific qualifications that suit different industries: social work, welfare work, diversional therapy, and rehabilitation suit both aged care and disability services; childcare suits children’s services. These are the industries that had significantly more advertisements requesting qualifications. In contrast, employment services (which do not have a qualification tailored to the industry) had significantly less advertisements requesting qualifications.

Only 19 advertisements did not specify any required experience and 537 advertisements requested more than one type of experience. *Sector experience* referred to the nonprofit sector and *industry experience* referred to the specific service type – for example, disability, aged care, and counselling. Management experience was the most sought after.
This was followed by industry experience. Nearly half the advertisements requested business experience which is almost twice as many as those that requested sector experience. Clearly the advertisements reflected a sample of nonprofit organisations that had a considerable preference for managers with for-profit business experience over nonprofit sector experience. Whether this was across the board or only at certain management levels, or with organisations of a particular size required further analysis.

Table 6.11 breaks down the advertisements by positions and the qualifications and experience requested.

<table>
<thead>
<tr>
<th>Qualifications</th>
<th>CEO % (N = 83)</th>
<th>Reporting to the CEO % (N = 149)</th>
<th>Divisional manager % (N = 311)</th>
<th>Team leader % (N = 157)</th>
</tr>
</thead>
<tbody>
<tr>
<td>industry</td>
<td>11</td>
<td>20</td>
<td>26</td>
<td>42</td>
</tr>
<tr>
<td>business</td>
<td>6</td>
<td>15</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>management</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>relevant</td>
<td>22</td>
<td>21</td>
<td>23</td>
<td>21</td>
</tr>
<tr>
<td>none</td>
<td>63</td>
<td>45</td>
<td>49</td>
<td>46</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Experience</th>
<th>CEO % (N = 83)</th>
<th>Reporting to the CEO % (N = 149)</th>
<th>Divisional manager % (N = 311)</th>
<th>Team leader % (N = 157)</th>
</tr>
</thead>
<tbody>
<tr>
<td>sector</td>
<td>51</td>
<td>32</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>industry</td>
<td>54</td>
<td>55</td>
<td>63</td>
<td>72</td>
</tr>
<tr>
<td>business</td>
<td>64</td>
<td>70</td>
<td>46</td>
<td>13</td>
</tr>
<tr>
<td>management</td>
<td>92</td>
<td>86</td>
<td>86</td>
<td>69</td>
</tr>
<tr>
<td>CEO</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>none</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

The total of the percentages for qualifications and for experience is greater than 100 because more than one type of qualification and/or experience is requested in some advertisements.

Table 6.11: Qualifications and experience requested by position levels
In terms of qualifications, the more senior the position, the less common that industry qualifications were requested. They were requested most at the Team Leader level where supervision of the frontline workers occurs and knowledge of the industry is most visible. Inversely, the more senior the position the more advertisements requested business qualifications. This is with the exception of CEO positions, of which 63% did not request any qualifications at all. This was highest percentage across all the position levels.

Management was the most requested experience. The percentage of advertisements requesting management experience increased with seniority. Nonetheless, at the entry level to management, the team leader position, 69% of the advertisements requested management experience. This reflects a predisposition to buy in experience rather than develop it.

In terms of significance, the only request for experience that was significantly related to position level was sector experience.

In terms of significance, the only request for experience that was significantly related to position level was sector experience.

<table>
<thead>
<tr>
<th>Position level</th>
<th>CEO</th>
<th>Reporting to the CEO</th>
<th>Divisional manager</th>
<th>Team leader</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector experience not requested</td>
<td>41</td>
<td>102</td>
<td>235</td>
<td>133</td>
<td>511</td>
</tr>
<tr>
<td>Sector experience requested</td>
<td>61</td>
<td>109</td>
<td>227</td>
<td>115</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>83</td>
<td>149</td>
<td>311</td>
<td>157</td>
<td>700</td>
</tr>
</tbody>
</table>

\[ X^2 = 36.98 \quad p < 0.0000 \quad \text{significant} \]

Table 6.12: Chi-square of position levels and sector experience

Table 6.12 shows the chi-square calculated on position level and sector experience. The requests for sector experience increased significantly with the seniority of the positions,
which is understandable given that the importance of sector knowledge increases with management responsibilities.

The percentages in Table 6.12 suggest a trend for industry experience to decrease with the seniority of the positions. This reflects the relative distance of the position levels from direct frontline management where services are delivered.

In terms of business experience, the suggested trend is for requests to steadily increase up to the level of reporting to the CEO where they peaked at 70%. At the CEO level they dropped a little to 64%. Perhaps some organisations seeking an injection of expertise from business may take the risk of a concomitant lack of sector experience at a senior management level but not at the ultimate stewardship level of CEO.

Clearly business experience was being asked for across management position levels as was sector experience. Nonetheless, the percentages reflect something of a trend towards greater requests for business and sector experience in senior management and a trend towards greater requests for industry experience at entry level and middle management.

There was little difference in the requests for sector and business experience between the larger and smaller organisations. However there was a significant difference in the request for business experience between organisations that ran their own recruitment campaigns and organisations that commissioned recruitment agencies to run their campaigns.
<table>
<thead>
<tr>
<th>Recruitment responsibility</th>
<th>Organisation</th>
<th>Recruitment agency</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business experience not requested</td>
<td>341</td>
<td>38</td>
<td>379</td>
</tr>
<tr>
<td></td>
<td>300</td>
<td>79</td>
<td></td>
</tr>
<tr>
<td>Business experience requested</td>
<td>214</td>
<td>107</td>
<td>321</td>
</tr>
<tr>
<td></td>
<td>255</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>555</td>
<td>145</td>
<td>700</td>
</tr>
</tbody>
</table>

$X^2 = 57.48$ $p<0.0000$ significant

**Table 6.13: Chi-square test for the business experience and recruitment responsibility**

Table 6.13 shows that recruitment campaigns conducted by recruitment agencies were significantly more likely to request business experience than those conducted by the organisations. There are a number of possible explanations for this. One is that organisations engaging the use of recruitment companies, which is common place in the for-profit business sector, were predisposed to seeking business experience in their candidates. The other is that recruitment companies favoured and recommended the inclusion of business experience. Either way the use of recruitment companies is indicative of a preference for business experience.

In summary, the descriptive frequencies suggest that for-profit business experience is valued at all management levels and regardless of organisational size. Nonetheless, the chi-square shows that sector experience is seen as important in the senior management positions.
6.3.3 Imaging the sector

6.3.3.1 Mission and values
The following tables focus on the elements of the advertisements that reflect on the organisations. These elements are the mission, the organisational values and the descriptive language used in the advertisements.

<table>
<thead>
<tr>
<th>Mission statement / core purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Working to assist young people develop the qualities to be responsible citizens and leaders in the community</td>
</tr>
<tr>
<td>• We can provide hope, dignity and a future to those affected by unemployment</td>
</tr>
<tr>
<td>• Empowering members so that they can achieve a quality of life comparable with that of their able-bodied peers</td>
</tr>
<tr>
<td>• Brightening the lives of seriously ill and hospitalised children and their families throughout Australia</td>
</tr>
<tr>
<td>• Working towards a world that no longer tolerates poverty</td>
</tr>
<tr>
<td>• Excellence in Christian care</td>
</tr>
<tr>
<td>• To guide and inspire people to realise their potential and achieve fulfilling vocational goals</td>
</tr>
<tr>
<td>• Provides assistance to people in need whilst respecting their dignity, and advocating improved services and facilities for them through the work of its members, volunteers and staff.</td>
</tr>
</tbody>
</table>

Table 6.14: Examples of nonprofit mission statements/core purposes from the advertisements

Using Vogelsang’s (1998) definitions, a selection of representative mission statements and core values were taken from the advertisements and are presented in Tables 6.14 and 6.15.
### Core values

- Values include courage, integrity, justice, compassion, respect, accountability, working together and commitment
- Commitment to encouraging community involvement in the planning and development of programs and services
- Commitment to working within a feminist framework
- Welcoming, enabling and affirming aged care
- Holistic care within a people-centred care model
- Consumer participation
- Committed to cultural diversity
- Build community capacity in response to homophobia
- Provide quality and loving care for aged and disabled people in the name of Jesus
- A strong commitment to social justice
- Committed to achieving the best possible outcomes for service users
- Personal and abiding commitment to improving the lives of people with disabilities
- Commitment to working with disadvantaged people
- Clients are valued members of the community
- Humanitarian values
- High regard for the value of the individual and their diverse backgrounds

### Table 6.15: Examples of core values from the advertisements

Advertisements that explicitly stated the organisation’s mission and/or core values did so in the style identified in Tables 6.14 and 6.15. Other advertisements implied the organisation’s mission and core values by referring to them but not describing them. For example:

- a readiness to work within the organisation’s value statement will be highly regarded
• give direction and leadership towards the achievements of the organisation’s philosophy, mission and strategy.

<table>
<thead>
<tr>
<th>%</th>
<th>Explicit</th>
<th>Implied</th>
<th>Not stated</th>
<th>Essential</th>
<th>Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>(N = 700)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mission</td>
<td>50</td>
<td>34</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Values</td>
<td>19</td>
<td>30</td>
<td>51</td>
<td>20</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 6.16: Frequency of mission and values included in advertisements

A total of 84% of advertisements made either a direct or indirect reference to the mission statement of the organisation. This is not surprising given that the mission of an organisation is a fundamental statement of its purpose and identity. Fewer than half the advertisements referred to the organisation’s values and only 24% requested a preparedness to work within those values. As previously mentioned, values alignment is one of the contributing factors to satisfying and successful employment. Moreover at the senior levels of management there is considerable stewardship of the organisation’s values both in terms of direction and service delivery. Nonetheless, there was no notable difference in representation of values for position level. They were evenly represented across all levels of management. However, when analysed with the different sized organisations there was a significant difference in the presence of values in the advertisements as shown in Table 6.17.
<table>
<thead>
<tr>
<th>Organisational size</th>
<th>Values</th>
<th>Values not mentioned</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small to medium</td>
<td>87</td>
<td>160</td>
<td>247</td>
</tr>
<tr>
<td></td>
<td>122</td>
<td>125</td>
<td></td>
</tr>
<tr>
<td>Large to extra-large</td>
<td>243</td>
<td>179</td>
<td>422</td>
</tr>
<tr>
<td></td>
<td>208</td>
<td>214</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>330</td>
<td>339</td>
<td>669</td>
</tr>
</tbody>
</table>

$X^2 = 31.45 \quad p<0.001 \quad$ significant

Advertisements that did not infer organisational size are not included.

Table 6.17: Chi-square test for the presence of values in advertisements of different sized organisations

Large to extra-large organisations were more likely to include values in their advertisements than small to medium organisations. This is probably both because larger organisations (for example larger religious organisations) are more likely to have explicit distinctive values that set them apart from other ‘similar’ organisations and because larger organisations have dedicated human resource functions with skills in effective recruitment. Consequently values may be included in the advertisements because values alignment is a key variable in employment success.
<table>
<thead>
<tr>
<th>Location</th>
<th>Values specified</th>
<th>Values inferred</th>
<th>Values not mentioned</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>171</td>
<td>116</td>
<td>285</td>
<td>572</td>
</tr>
<tr>
<td></td>
<td>171</td>
<td>108</td>
<td>293</td>
<td></td>
</tr>
<tr>
<td>Regional</td>
<td>35</td>
<td>16</td>
<td>55</td>
<td>106</td>
</tr>
<tr>
<td></td>
<td>32</td>
<td>20</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>3</td>
<td>0</td>
<td>19</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>4</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>209</td>
<td>132</td>
<td>359</td>
<td>700</td>
</tr>
</tbody>
</table>

$X^2 = 13.37$  
$p<0.0095$ significant

Table 6.18: Chi-square test for the presence of values in advertisements of different sized organisations

Location also made a significant difference to the presence of values in advertisements, as shown in Table 6.18. Values were significantly more likely to be referred to in advertisements for organisations in capital cities than in regional or country areas. There are two likely explanations for this. The first is that there are a higher number of large and extra-large organisations in capital cities. The second is that the pool of potential managers in regional and country areas is smaller. Consequently, values alignment may be seen as a luxury and less relevant in the recruitment process next to other and more essential skills and knowledge. Alternatively values alignment may simply be taken for granted in the country.

**6.3.3.2 Dominant descriptive language**

The other way in which organisations’ imaged themselves in the advertisements was through the descriptive language used. The language categories (sector/industry, business, management, neutral) were developed from the content analysis of the advertisements. Sector and industry language is combined in this analysis, unlike the
analysis of experience and qualifications where they were measured separately. A selection of representative language for each category is shown in Table 6.19.

<table>
<thead>
<tr>
<th>Category</th>
<th>Language</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector/industry</td>
<td>accreditation, advice, advocacy, anti-bias, bequests, carers, casework, charity, clients, community agencies, community development, community engagement strategy, crises responses, cross-cultural issues, disadvantaged, elderly, foundation, fundraising, funding, government requirements, low income, major gifts, mediation, membership, mobilising the power of humanity, nonprofit, outreach, philanthropists, quality of care, rehabilitation, relevant legislation, service responses, social networks, social policy, submission writing, support options, sustainable resources, volunteers, vulnerable people, welfare.</td>
</tr>
<tr>
<td>Managerial</td>
<td>accounting, budgeting, change management, coaching, continuous improvement, contract management, corporate services, executive level reporting, financial management, human resources, line management, mentoring, multi-disciplinary team, operational centres, outcomes, performance management, quality assurance framework, results driven, risk management, service excellence, strategic management, targets, workforce planning.</td>
</tr>
<tr>
<td>Business</td>
<td>a mind for business, business acumen, business community, business development, clear business objectives, client markets, commercial discipline, commercial imperatives, commercial revenue targets, customer account based service business, market drivers, market share, profit margins, repeat business, sales.</td>
</tr>
</tbody>
</table>
Advertisements were identified in a language category when 50% or more of the descriptive language used came from that category. Consequently some advertisements were listed in two categories. No advertisements used more than two language categories equally. Table 6.20 shows the frequency of language use in the categories.

<table>
<thead>
<tr>
<th>Language</th>
<th>Industry</th>
<th>Management</th>
<th>Business</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>40</td>
<td>51</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>(N = 700)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Management language was most commonly used, which is understandable when all the advertisements were for management positions. A total of 40% of the advertisements used 50% or more industry language in their descriptions. This is a little lower than expected given that industry language describes the services and the nonprofit nature of organisations. As shown in Table 6.19, business language is associated with competitive markets, commercial environments and profits; areas not traditionally associated with nonprofit organisations or activities. Nonetheless, 19% of the advertisements used
predominantly business language in imaging the organisation and the position. In order to unpack the use of language, particularly the use of industry and business language, chi-square tests were conducted with position level and organisational size.

<table>
<thead>
<tr>
<th>Organisational size</th>
<th>Industry language</th>
<th>Business language</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small to medium</td>
<td>102</td>
<td>29</td>
<td>131</td>
</tr>
<tr>
<td></td>
<td>89</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Large to extra-large</td>
<td>145</td>
<td>86</td>
<td>231</td>
</tr>
<tr>
<td></td>
<td>158</td>
<td>73</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>247</td>
<td>115</td>
<td>362</td>
</tr>
</tbody>
</table>

Advertisements that were not categorised under either industry or business language or that were categorised under both industry and business language are not included; neither were advertisements that did not infer the organisation’s size.

\[ \chi^2 = 9.307 \quad p<0.01 \text{ significant} \]

**Table 6.21: Chi-square test of dominant language and organisational size**

Table 6.21 shows that small to medium organisations were more likely to use industry language as the dominant descriptors in their advertisements and less likely to use business language. Conversely, large to extra large organisations were more likely to use business language as the dominant descriptors in their advertisements and less likely to use industry language.
Position Level | Industry language | Business language | TOTAL |
--- | --- | --- | --- |
Senior management | 71 | 74 | 145 |
| 99 | 46 | |
Entry level & middle management | 190 | 48 | 238 |
| 162 | 76 | |
TOTAL | 261 | 122 | 383 |

Advertisements that were not categorised under either industry or business language or that were categorised under both industry and business language are not included.

$X^2 = 40.12 \quad p<0.001$ significant

Table 6.22: Chi-square test of dominant language and position level

In terms of dominant language and position level, Table 6.22 shows that advertisements for entry level and middle management positions are more likely to use industry language as their dominant descriptors and less likely to use business language. Again the converse applies to senior management positions which are more likely to use business language as their dominant descriptors and less likely to use industry language. Clearly the responsibility for an organisation’s financial well being and sustainability resides at the senior management level. The advertisements suggest that business language is used to underscore the importance of these responsibilities. Active and hard edged business terms such as market drivers, commercial discipline, commercial imperatives, commercial revenue targets and profit margins emphasised the orientation sought in organisational leadership.
6.4 Changes over time in the dependent variables

A key question is: Were there any changes in the advertisements’ requests for the dependent variables of qualifications and experience; language and the presence of mission and values, over the seven year period? And if so, what might account for these changes? For example – did changes in the political context affect how advertisements were written?

Answering the first question is not straight forward for the reasons discussed above.

- There were variations over time in the independent variables of industry, location, organisation size, position level and whether or not a recruitment agency was used.
- Qualifications and experience, language and the presence of mission and values are correlated with the independent variables. This means that variations of the dependent variables over time may be able to be explained by the variations in the independent variables – whereas what we are most interested in are the variations over time that are not explained by the changes in the independent variables.

The strategy for identifying changes in the dependent variables over time that could not be explained by the independent variables was to:

- develop a statistical model using neural networks to predict the dependent variables from the independent variables
- use the statistical model to generate a distribution of dependent variable values that one would expect to see if one knew the values of the independent variables
- compare the distributions of the actual dependent variable values with the distributions of the predicted dependent variable values over the seven year period using a chi-squared test. Where there are significant differences between these distributions some other explanation in addition to the independent variables is required.
The Statistica (statistics software package) Neural Networks program was used to develop 50 predictive models for the relationship between each dependent variable and the independent variables.

The process of developing the models included randomly breaking the data into three samples, one for developing the model, one for limiting the model and one for verifying the model – so that the models would not be over fitted. From the 50 models generated for each dependent variable the model that provided the best predictions – both overall and for each value of the dependent variable was chosen. These models were generated by my statistical advisor. The model itself is not significant in this analysis. The two following questions are significant here.

• Are the predictions better than chance?
• If they are, are there differences between the seven year period distributions of predicted and actual values?

6.4.1 The best models

Table 6.23 shows the following information for each dependent variable:

• its values
• the percentage distribution of the values
• the percentage of each value correctly predicted by the best neural network model
• the overall percentage correctly predicted.

Table 6.23 also shows a summary measure for how good the predictors are and whether or not there is a statistically significant difference between the distributions of the actual values and the predicted values over time.
<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>Actual percentage</th>
<th>% correctly predicted</th>
<th>Overall % correct</th>
<th>Overall prediction</th>
<th>Difference between actual and predicted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religious</td>
<td>65</td>
<td>83</td>
<td>78</td>
<td>A</td>
<td>Non significant</td>
</tr>
<tr>
<td>Qualification</td>
<td>73</td>
<td>88</td>
<td>74</td>
<td>C</td>
<td>Significant</td>
</tr>
<tr>
<td>Industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualification</td>
<td>51</td>
<td>60</td>
<td>59</td>
<td>A</td>
<td>Not significant</td>
</tr>
<tr>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>73</td>
<td>90</td>
<td>75</td>
<td>C</td>
<td>Significant</td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>38</td>
<td>59</td>
<td>68</td>
<td>A</td>
<td>Not significant except 2003 which is significant</td>
</tr>
<tr>
<td>Industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>54</td>
<td>73</td>
<td>74</td>
<td>A</td>
<td>Not significant except 2008 which is significant</td>
</tr>
<tr>
<td>Business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mission</td>
<td>16</td>
<td>19</td>
<td>57</td>
<td>B</td>
<td>Not significant</td>
</tr>
<tr>
<td>Values</td>
<td>51</td>
<td>83</td>
<td>60</td>
<td>B</td>
<td>Not significant</td>
</tr>
<tr>
<td>Language</td>
<td>66</td>
<td>82</td>
<td>70</td>
<td>B</td>
<td>Not significant</td>
</tr>
<tr>
<td>Sector/Industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A very good prediction
B good prediction
C smaller, but still reasonable, prediction

*Independent variables:* location, industry, size, position, recruitment agency or organisation, year

*Dependent variables:* mission, values, qualifications, experience, language, religious

**Table 6.23: Prediction of dependent variables when independent variables are known**
The neural network models are able to predict the dependent variables from the independent variables much better than by chance. Given this, it is possible to ask and answer the question: are there differences in the distributions of the actual and predicted values of the dependent variables over the seven year period?

The following figures show the actual and predicted distributions of the dependent variables for all of dependent variables where there are significant differences between the actual and predicted distributions (and also one chart for comparison where there is no significant difference between the actual and predicted distributions).

Figure 6.7 below is included as an example of no difference between the predicted distribution over time of the actual number of advertisements by religious organisations and the distribution over time of the predicted number of advertisements using the statistical model noted above. There are no statistically significant differences between the two distributions. This means that the variation over time in the number of advertisements by religious organisations can be fully explained by the variation in the independent variables over time.
The vertical axis is the number of advertisements and the horizontal axis is the year.

**Figure 6.7: The predicted and actual numbers of advertisements that identified the organisation as religious over the seven year period**

The graph shows that the actual numbers of religious organisations that advertised each year was very close to the predicted numbers. Consequently, in this case, it is possible to say that the variation in the independent variables (location, industry, size, position and recruitment responsibility) each year pretty much determined the number of religious organisations advertising each year.
Figure 6.8 shows the distribution of the actual number of advertisements and the predicted number of advertisements requesting industry qualifications over time. There are statistically significant differences between the two distributions. This means that the variation in the number of advertisements requesting industry qualifications is not fully explained by the variation in the independent variables over time. The difference between the actual and predicted distributions shows that from 2005–07 the number of actual advertisements asking for industry experience is significantly higher than the predicted (but was the same as the predicted from 2002–04). One possible explanation for that is that in 2005, when the Howard government gained control of the Senate, there was a shift in organisational focus towards industry identity, as opposed to nonprofit sector identity. This was expressed in an increased propensity to ask for industry experience. Moreover,
recruiting industry expertise may have been one of the strategies that organisations were employing to address the increasing requirements of the contractualist outcomes-based funding agreements.

At this point it is useful to revisit the significant changes that were introduced in the Employment and Workplace Relations Legislation Amendment (Welfare to Work and other Measures) Act which was passed 6 December 2005 through the government’s control of the Senate. The following changes impacted directly on the sector.

- The eligibility for the disability pension was tightened.
- A percentage of vocational rehabilitation services went to tender on the open market.
- Welfare to Work was introduced and diverted many future applicants for income support from pensions down to lower allowance payments.
- The eligibility assessment for the disability support pension was outsourced to tender.
- Harsher penalties and compliance mechanisms were introduced to Job Network which increased the maximum penalty to 8 weeks of income reduction for breaches, including minor ones such as not attending interviews.

Work Choices, the second wave of industrial relations legislation, substantially reduced the unfair dismissal rights and removed the ‘no general disadvantage’ test from Australian Workplace Agreements. Furthermore, it removed the power to set minimum wages from the Australian Industrial Relations Commission and established the Australian Fair Pay Commission. This was staffed by economics experts whose brief was to measure the impact of any increase of the minimum wage against productivity and the impact on unemployment. Finally, Work Choices severely weakened the effectiveness of the unions. They were restricted to negotiating only on behalf of members and not non-members; their right of entry to workplaces was curtailed and they could be fined $33,000 for seeking to include ‘prohibited content’ such as terms remedying unfair dismissal in a collective agreement.

The above changes, whilst representing only a portion of the Bills that passed through the Senate when it was under government control, had a significant impact on the context in
which nonprofit community services operated. Essentially these changes heralded the further privatisation of welfare and the government’s privileging of economics over human rights and social justice.

The vertical axis is the number of advertisements and the horizontal axis is the year.

**Figure 6.9: The predicted and actual numbers of advertisements that requested sector experience over the seven year period**

Figure 6.9 shows the distribution over time of the actual and predicted numbers of advertisements requesting sector experience. There are statistically significant differences between the two distributions. So, again, the variation over time in the number of advertisements requesting sector qualifications is not fully explained by the variation in the independent variables.
The gap between the actual and predicted numbers of advertisements requesting sector experience is reducing over time. From 2002–04 there was a higher propensity than one would expect to ask for experience in the sector. This propensity was reduced in 2005–06 and reduced again in 2007–08. Once again the sharp drop in 2005 can be explained by the Howard government’s control of the Senate and the subsequent increase in contractual reporting requirements. The continued drop can be explained by the roll out of the increased contractual reporting requirements which were still operational in 2008, the first year of the Rudd Labor government. As the literature review in Chapter 2 shows, these contracts were, in many respects, antithetical to the philosophy and practices of the nonprofit sector. Consequently, completing the contracts would have been easier without the dissonance of strong sector identity and expectations.
Figure 6.10 shows that in 2003 advertisements requesting experience in industry were significantly higher than one would predict from the independent variables. For all the other years the variations in the number of advertisements requesting industry experience can be explained by the independent variables (industry, size of organisation, etc.) One possible explanation for the increase in propensity for asking for industry experience in 2003 could be that in 2003–04 welfare spending increased by 15%, which was more than $10 billion (Australian Institute of Health and Welfare, 2006). As with the requests for industry qualifications, recruiting industry expertise in the form of experience may reflect
a choice, at this stage, to identify with the industry rather than the nonprofit sector specifically. By 2003 the Federal Government’s attitude to the nonprofit sector was well established and, as described in Chapter 2, it was guarded at best and openly hostile at worst (Staples, 2006; Sawer, 2002; Melville, 2003).

The vertical axis is the number of advertisements and the horizontal axis is the year.

**Figure 6.11: The predicted and actual numbers of advertisements that requested business experience over the seven year period**

In contrast to the previous Figure (6.10), Figure 6.11 shows that in 2008 the actual number of advertisements asking for business experience was significantly less than the predicted level. Clearly in 2008 the propensity to ask for business experience reduced markedly. This could be explained by the election of the Rudd Labor government which has been seen to value the community sector more highly than the Howard government.
Its foreshadowed National Compact intended to re-build the good relationship between the government and the nonprofit sector (Senator Ursula Stephens, 2008) is one example.

The missing 2008 increase combined with the increase in sector experience that year, again could be a reflection of the election of the Rudd Labor government and the anticipation of a valued role for the sector in the future.
6.5 Discussion

The literature would suggest that the ideal candidate for a management position in a nonprofit community service organisation is someone who is well versed and experienced in the unique characteristics of nonprofit organisations. These unique characteristics are:

- managing the range of revenue sources
- balancing financial demands with the pursuit of the organisation’s mission
- negotiating the complexities of governance structures
- directing a paid and voluntary workforce
- aligning the organisation’s mission and values with its strategic direction and activities.

Overall, the analysis of the recruitment advertisements reflected a sector that sought experience in their candidates more than qualifications. Those industries that have specific professional qualifications such as aged care, disability services and children’s services were more likely to seek qualifications in their candidates.

In terms of experience, the most sought after was management, followed by industry experience. Just under half the advertisements requested business experience and that was irrespective of organisational size and position level. By contrast, only just over one quarter of the advertisements suggested that sector experience was a priority.

The team leader positions were entry level management. Nonetheless, 69% of the advertisements requested management experience, reflecting a predisposition to importing experience rather than developing it. Finally, there was little consideration given to requesting values alignment, with just less than one quarter of the advertisements identifying this. One explanation is that, on balance, organisations assume that employees will self select values alignment in a ‘values expressive’ sector. However, with the movement of employees between sectors this is not only an invalid assumption but is poor recruitment practice, as identified in the literature. It leaves a critical component of a
successful employee / organisation fit up to chance. This is of particular concern in the community sector where workers constitute the major organisational resource.

Clearly the selection criteria in the advertisements reflect the ideal candidate sought, not the actual candidate appointed. Nonetheless, there are some messages for career minded nonprofit community service workers. The first is to seek management opportunities when they arise – acting, voluntary or otherwise. This is because organisations are looking for experience. The second is to embrace a boundaryless career approach to developing a portfolio of knowledge, skills and practice, particularly one that includes some experience in the for-profit, business sector. It is not just a case of the individual taking responsibility for their own career development and actively looking for opportunities to develop competencies across organisations and industries anymore. The advertisements suggest that now it is almost essential to look across sectors as well. Cross-sectoral experience is not so unusual between government and nonprofit providers. Moreover, in some industries such as aged care, employment services and childcare, it is becoming more common to cross between the boundaries of for-profit and nonprofit organisations. Nevertheless, the request for business experience was not restricted to these industries and it is new to consider that a career may need to cross between business and nonprofit irrespective of industry.

In terms of image, the organisational context influences the image projected. Large and extra-large organisations in the capital cities are imaging themselves as purposeful, values-driven organisations. Moreover, they are more likely to use business language in the process. The combination suggests economically and socially focussed organisations. This is less the case for medium and small organisations, particularly in regional and country areas. This may be the result of limited recruitment expertise and a limited pool of potential candidates.

The priority that the nonprofit sector is placing on business experience probably reflects the tensions and pressures the sector is experiencing to be economically successful in a competitive, outcomes driven climate of uncertain funding. Even so, the requests for sector experience in the advertisements for CEO positions and positions reporting to the
CEO were significant. This is encouraging given that these positions have the major stewardship role in organisations and the sector.

The analysis of the advertisements over the seven year period reflects a time of considerable change in terms of government policies and funding. It also reflects a sector that is sensitive and responsive to government initiatives, both positive and negative. The changes evident in the advertisements in 2005 are a particular example. As previously mentioned, 2005 saw a major increase in the power of the Howard Coalition government when it gained control of the Senate and pursued its neo-liberal agenda unimpeded. By the same token, the changes in the advertisements in 2008 coincide with the first year of the Rudd Labor government and a change in attitude to the nonprofit sector.

This responsiveness to the political context supports the Contextual Framework for considering the impact of value pluralism on the human resource policies in nonprofit community service organisations. The tension between economic and social justice values clearly relate to the pressures that organisations were experiencing from government. Moreover, the advertisements are evidence of the impact that these tensions have on human resource policies in terms of the attributes sought in candidates for management positions.

The for-profit business language that was used in the advertisements emphasised the importance of financial and business acumen and skill levels required, particularly in senior managers and executives. It was evident that when such emphasis was desired, the only language available to express efficient and effective financial and organisational management was business language – language that is inherently associated with competition and for-profits. In part, an explanation could be that large to extra-large organisations tend to manage a greater diversity of funding sources (Berman, Brooks & Murphy, 2006, pp. 84–86) which can include dedicated fundraising programs and the sale of goods and services (Lyons, North-Samardzic & Young, 2007 pp. 99–100). Consequently positions specific to these areas could be represented as business like in their orientation. Nonetheless, the use of for-profit business language to describe the
organisation as a whole is still a fundamental misrepresentation, which undermines the significance and centrality of the core purpose and values.

On balance, the use of for-profit business language in the advertisements suggests that there is no acceptable and understood language or image for expressing efficient and effective financial and organisational management practices specific to the sector. Unless these skills and knowledge are framed in business and for-profit terms they do not carry the hard edge and weight necessary to convey their importance.

The press advertisements are the first part of the recruitment process. They represent the initial human resource strategy designed to meet the demands of the organisation. The next stage is the selection and appointment process. It is the reality of the choice available to organisations and the priorities applied in decisions. In Chapter 7, 22 interviews with CEOs and the Chairs of their selection panels are analysed. They provide an interesting and detailed picture of the considerations and decisions involved in the selection and appointment process.
Chapter 7: Values and CEO Selection

Some of the best business and nonprofit CEOs I’ve worked with over a sixty-five-year consulting career were not stereotypical leaders. They were all over the map in terms of their personalities, attitudes, values, strengths, and weaknesses.”

Peter Drucker, writer, management consultant, (1909–2005)

7.1 Introduction

The analysis of the recruitment advertisements in Chapter 6 reflected primarily on two aspects of the sector. The first aspect was the characteristics of the ideal candidates being sought. The second was the way the sector chose to image itself to attract its ideal candidate at any given point in time over the seven year period. In short, experience was more sought after than qualifications. In terms of experience, the order of ‘desirability’ was management first, followed by industry, for-profit business and then nonprofit experience. This was a little surprising given the following unique characteristics of the sector:

- managing the range of revenue sources
- balancing financial demands with the pursuit of the organisation’s mission
- negotiating the complexities of governance structures
- directing both a paid and voluntary workforce
- aligning the organisation’s mission and values with its strategic direction and activities.

The advertisements reflected the tensions and pressures the sector is experiencing in being economically successful in a competitive, outcomes-driven climate of uncertain
funding. Moreover one of the interesting features of the advertisements was the use of for-profit business language to express hard edge, efficient and effective financial and organisational management practices. Given the lack of requests for sector experience, the advertisements suggested that if organisations were to employ their ‘ideal’ applicants, there would be a considerable loss of nonprofit experience and expertise at the senior management level in the sector.

In order to drill down and better understand the reality of who is employed in management in the nonprofit sector and the priorities that influence that decision in the face of real candidates, 11 newly appointed CEOs and the Chairs of their selection committees were interviewed in this study.

The names of the organisations, interviewees and other related people and organisations mentioned in the quotes are pseudonyms in order to protect confidentiality.

7.1.1 Rationale

The CEO position was chosen for the interviews because it is the ultimate leadership position in an organisation. It traverses all the organisation’s operations. The criteria for selecting a CEO reflect the organisation’s priorities and the strategic direction for the future. The CEO makes a statement about priorities and values within the organisation to the staff and outside the organisation to external stakeholders. What is more, CEO positions are significant career positions in the sector and consequently are a fairly accurate reflection of current career paths. The combination of the objective career history, which is made up of the attributes and backgrounds of the CEOs, with the subjective career story, which is their interpretation and the meaning they give to their experiences at this particular career juncture, provides a picture of ‘what it takes to get to the top’.
The Chair of the selection panel was chosen because that person is able to bridge from the ideal, in terms of what was needed and wanted, to the reality in terms of who they appointed with what attributes and experience. In addition to that, the Chair is able to give the background to the appointment and fill in the reasons why certain criteria were sought. It is the background story that the recruitment advertisements cannot tell. Going back to the contextual framework for considering the impact of incommensurable values on the HR policies in Chapter 3 (see Figure 3.1), these interviews provide a picture of the issues that organisations are grappling with and their HR solutions at the CEO level.

7.1.2 Methodology

A purposeful selective sampling process (Spradley, 1979) was used to identify participating organisations, based on the following variables:

- organisational size
- service type
- location
- recent CEO appointment (within the last 18 months).

Other variables emerged during the interviews and these included internal/external appointees and the use of recruitment companies.

There were 11 organisations in total (Appendix 6 Organisation and Participant Pseudonyms and Characteristics). There were 22 interviews – one with the Chair of the selection panel and one with the newly appointed CEO. With the exception of one organisation, Sustenance, the Chairs of the selection panels were also the current Chairs of the Boards. Don, the Chair of the selection panel for Sustenance, was the outgoing Chair of the Board.

The organisations were identified because they advertised the CEO position in the press. This was the data source for the recruitment advertisements used in the study in Chapter 6. In five of the organisations either the Chair of the selection panel or the newly appointed CEO was known to the interviewer/researcher (Jenny Green). Prior to the
interview, background information on the organisation was gathered. The information sourced was in the public domain and it came primarily from the internet and annual reports. It included service type/s, size, age, general funding sources, mission, values and broad organisational structure.

The interviews were in-depth, lasting in duration from 45–100 minutes. They were semi-structured with the following conversational anchors:

- individual’s background – CEO and Chair
- organisation
- recruitment process
- appointment match
- greatest challenges for the position, organisation and sector
- generic skills, knowledge, attitudes and qualities required for leadership and management in the sector.

The interviews were taped and notes were taken. The data was managed electronically using NVivo. A successful pilot study of four interviews was conducted to examine the suitability of the process for the study’s purpose and to identify any methodological issues. Due to the recent nature of the recruitment campaign and the CEO appointment, the accuracy of remembered events was not an issue. What did emerge was the narrative nature of the topic. As Polkinghorne (1988) maintained, people make their lives meaningful by telling the story. Both the CEOs and the Chairs told the story of their road to the organisation and the story of the organisation’s CEO recruitment campaign. Many of the challenges emerged as part of the interweaving between the organisation’s story and the CEO recruitment campaign. The responses to the final question around generic attributes were more depersonalised, critical reflections.

In terms of methodology, support was drawn from Liamputtong and Ezzy (2005) for conducting the interviews and interpreting the stories. The interpretation was done through the plot and the derived understanding of, and meaning attached to the sequence of events that make up the plot (Bruner, 1990). A content analysis was conducted with
each interview using a thematic analysis approach (Fereday & Muir-Cochrane, 2006), which identified patterns and themes. Patterns and themes were then worked and reworked with each subsequent interview until there was evidence of a saturation of knowledge.
7.2 Analysis

7.2.1 Distinguishing characteristics

There were a number of distinguishing factors between the organisations and the interviewees. The organisations fell into four groups distinguished by size:

- small: 1 – 19 employees
- medium: 20 – 99 employees
- large: 100 – 199 employees
- extra large: 200+ employees.

They were further distinguished by general service type: multifunctional, single focus and membership. The CEOs and the Chairs of the selection panel were distinguished according to their background employment which was either for-profit (FP), government (govt) or nonprofit (NFP).

All interviewees were asked what the organisation was looking for in a CEO in the recruitment campaign. This was distinct from the qualities and attributes of the successful candidate. The question went to the imagined ideal candidate and, in the absence of an actual person, what the selection committee thought would be important and what they would be looking for. As Robert, CEO of Compassion, (extra large, multi-focus) said:

‘As usual if you look at the ad … they were looking for someone who could walk on water.’

Nonetheless, this became a distinguishing feature in the analysis of the interviews. Three groups emerged.

Group 1 had a Chair of the selection panel with a background in for-profit-business unrelated to the industry in which the organisation was providing services. There were four organisations in this group.
Group 2 had a Chair of the selection panel with a background in either government or nonprofit community services. This group had four organisations.

Group 3 had had an unsuccessful previous appointment from a for-profit business background. In this recruitment campaign they had selected a ‘safe’ candidate that knew the organisation. There were three organisations in this group.

7.2.1.1 Group 1 – For-profit Chair
The following four organisations are in Group 1.

- Compassion, (extra large, multi-focus)
  Chair: Stewart
  CEO: Robert
- Sustenance Australia, (small, single focus)
  Chair: Don
  CEO: Rhiannon
- Access for All (extra large, single focus)
  Chair: Ian
  CEO: Dexter
- Minds Alive (small, single focus)
  Chair: Neil
  CEO: Carl
### Group 1 – For-profit Chairs

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organisation</th>
<th>Size</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stewart</td>
<td>Chair</td>
<td>Compassion</td>
<td>Extra large</td>
<td>Multiple</td>
</tr>
<tr>
<td>Robert</td>
<td>CEO</td>
<td>Compassion</td>
<td>Extra Large</td>
<td>Multiple</td>
</tr>
<tr>
<td>Don</td>
<td>Chair</td>
<td>Sustenance</td>
<td>Small</td>
<td>Single</td>
</tr>
<tr>
<td>Rhiannon</td>
<td>CEO</td>
<td>Sustenance</td>
<td>Small</td>
<td>Single</td>
</tr>
<tr>
<td>Ian</td>
<td>Chair</td>
<td>Access for All</td>
<td>Extra large</td>
<td>Single</td>
</tr>
<tr>
<td>Dexter</td>
<td>CEO</td>
<td>Access for All</td>
<td>Extra Large</td>
<td>Single</td>
</tr>
<tr>
<td>Neil</td>
<td>Chair</td>
<td>Minds Alive</td>
<td>Small</td>
<td>Single</td>
</tr>
<tr>
<td>Carl</td>
<td>CEO</td>
<td>Minds Alive</td>
<td>Small</td>
<td>Single</td>
</tr>
</tbody>
</table>

**Table 7.1: Group 1 members**

The Group 1 selection panel Chairs all came from unrelated for-profit business backgrounds and they were essentially looking for a CEO from a for-profit business background. Don from Sustenance Australia, a small single-focus food acquisition and distribution service, is one example. He said of his background ‘I’d been in the advertising business all my life; advertising and marketing.’ His general view of nonprofits was ‘unfortunately … a lot of charity organisations run by well-meaning do-gooders’. He said he thought:
'the welfare sector has a real problem in explaining to the Australian community what they do, why they need assistance … and what they do with their funds … and I’m sure that the great majority of charitable organisations are just that. They are charitable, but not necessarily well-run.’

Don, Chair, Sustenance (Group 1, small single focus)

He was clear about what he wanted in a CEO for Sustenance.

‘Now my view at the time was that we needed somebody from the food industry, a Senior Executive from the food industry preferably from a marketing/selling side of the industry as opposed to the manufacturing. Somebody who had a squeaky clean reputation in the industry – no skeletons in the cupboard, who was respected by Chief Executives, General Managers and the industry generally, and who could open doors and would be acceptable as the head of a national charted organisation. We were dealing with the food industry – that’s where we sourced our product. So we had to convince all the heavy hitters in the food industry that they should give us their product that they couldn’t sell, and that we would protect their brand, we would do the right thing by them, and therefore we were worthy of trust. It was essential that we had somebody with that reputation in the food industry.’

Don, Chair, Sustenance (Group 1, small single focus)

Experience in the nonprofit sector did not feature in his view of the ideal candidate. He did not frame the organisation in terms of any organisational values. Nor was he interested in understanding the service users who receive the food. His focus was squarely on the donors, the food industry and the credibility of the organisation in the food industry. In terms of alignment, Don aligned Sustenance with the for-profit food industry and not the nonprofit community services industries. Nonetheless he appointed Rhiannon, an experienced manager from the nonprofit sector.

‘There was one candidate who actually came via Watson Bartlett which was Rhiannon. And I sent it straight back to Nell Carey and said no, not interested;
she has none of the qualifications I’m looking for. Never been in the food industry, she had worked in the not-for-profit sector. She’d been with the Liverpool Council, the CEO of Greenpeace and with a rental car service. Anyway she’d been the General Manager of a Car Rental service which is a very blokey sort of business. And I didn’t want to see her. Waste of bloody time in my opinion. And Nell said, I really think she’s worth seeing. So I agreed reluctantly to meet this woman. So when she came to see me in my office in North Sydney I said to her, “I really don’t know why I’m talking to you today because you’ve got nothing in your CV that matches up with what I’m looking for. On top of which, with your background, you know, in the Rental Business, Greenpeace, I thought you were probably a hairy armed lesbian.” I don’t know, I don’t believe in mucking about. And she said “A lot of people think that because I’ve worked for Greenpeace I’m a tree hugger or whatever,” and she impressed me with her personality. She’s a delightful lady. She calls a spade a spade, she convinced me that she was totally dedicated to the not-for-profit sector and she thought that the role of Chief Executive Officer at Sustenance would be a wonderful challenge, a wonderful opportunity.

I have to say in my opinion, Rhiannon was the outstanding candidate. But I didn’t say that to Carlo (incoming Chair of the Board) because I said, look I’ve got four and I’d be happy with any of them, but you’ve got to be happy with them because you’ve got to take over from me, and he or she will be reporting to you and not to me. So Carlo and I had meetings … and we interviewed the four of them and at the end of the two or three days, I said “What do you think?” and he said “Rhiannon”. And I said good, because that’s my first choice, and I said why – and he said he felt we needed somebody from the food industry and the other three were in the food industry; and he said that he’d tried to visualise a situation where Alan Jones, say, had been criticising Sustenance or the food industry in some way – or the welfare sector in some way, and he said ‘if I want to put somebody on Alan Jones to play our chorus, she’s the one’.

Don, Chair, Sustenance (Group 1, small single focus)
Another example in Group 1 is Ian, the Chair of Access for All, an extra large disability service that provides some accommodation, recreation and family support programs but primarily focuses on employment/business services that have developed from the transformation of their old sheltered workshops. Ian’s background was in chartered accounting which is how he became involved with Access.

‘I was a partner of a firm in the city … and we were approached… to take on the audit of Access. So I got to know Leonard very well and his successor Joan who just recently retired… She was the predecessor to Dexter. So I got to know them very well and when I …took retirement … Leonard approached me and said come on the Board. I said “Well I can’t do that straight away I’ve just been the auditor.” He kept at me and about a year later I agreed and went onto the Board. So that was in 1994 and then I became the Chairman in the year 2000 and I’m still the Chairman.’

Ian, Chair, Access for All (Group 1, extra large, single focus)

In conceptualising what was needed in the new CEO, the previous CEO’s limitations provided a start.

‘One of the things we realised was that while Joan was doing a very good job, we certainly required some new blood and some new ideas and some things – with the greatest respect to Joan – we would have liked to have done differently but until she retired it wasn’t possible. She was very good but we needed a change.’

Ian, Chair, Access for All (Group 1, extra large, single focus)

Joan had a physical disability. She had been with the organisation for over 40 years and the CEO for 17 years when she retired at 65 years of age. All her work experience was with Access. Ian was looking for something more in the new CEO.

‘I guess there were a couple of things we had in mind. The candidate could come from three sources really. One was internal, one was someone in the industry and thirdly, and this is what we were hoping for, someone who was not in the industry
at all, but was prepared to change. You know “I’ve made enough money, money isn’t everything. I want to do something that’s going to give me some satisfaction or get something out of it.” They would bring in some good executive skills from the commercial world because we do run a lot of commercial operations. You’ve got to have a heart – but rather than having someone who was just in the not-for-profit sector or from the government. So that’s why we tried to pitch it as wide as possible.

So, going back to what we are looking for – it’s got to be someone who represents us in the community, with government; someone who is able to be a public relations person and a hard-nosed business manager with a heart.’

Ian, Chair, Access for All (Group 1, extra large, single focus)

Ian recognised the value of a commitment to the work and the sector but first and foremost a for-profit commercial background was desired. In conceptualising the individual and why they might make the change to the nonprofit sector he described a mindset similar to his own.

Ian appointed Dexter whose professional background was in for-profit business in law and information technology. Ian described Dexter as ‘not only a good manager and good people person, he’s got that touch and tremendous business skills.’ Dexter described himself in more detail.

‘It’s really a chance to take the skills that I’ve learnt in the corporate world and apply them in an area that I’m passionate about, for a whole lot of reasons. Largely because I have a daughter with a disability … And, to do more immediate “good” – I guess you’d put “good” in inverted commas – than creating shareholder wealth … So, I guess it was the combination of the ability to do good in an area where I’m passionate, and yet leverage the skills that I learnt in business and corporate life.’

Dexter, CEO, Access for All (Group 1, extra large, single focus)
Dexter’s description echoes almost exactly the type of person Ian had in mind at the outset of the recruitment process – a person not unlike himself.

The Chairs of the selection panels in Group 1 reflect a comfort level and understanding of for-profit business that is absent from their comments on the not-for-profit sector. Stewart, the Chair of Compassion, an extra large multi focused organisation, demonstrates this in his description of the key responsibilities of the CEO of Compassion.

‘I see the Chief Executive’s role as to represent the management and to resolve the implementation of the business plan, the design and implementation of the strategies and everything that goes with it. No different to a Chief Executive from a commercial entity, except that there are a lot more stakeholders in a social enterprise. In a commercial enterprise or public company, you would have shareholders and typically the chief executive reports to them, is working for them. We all have a boss. They are the boss, the shareholders and the driver tends to be skewed towards increasing profitability. It’s a question of how much should be allocated for what return and all of these things. It’s all common sense or that should always be part of it anyway. Particularly with shareholders you should be looking after and your employees you should be looking after and then you’ve got society you should be looking after because you are actually a member of society. You are part of the fabric of the change of society. You should be concerned because members of society may be your customers and it may be important for them to see your company as socially responsible.’

Stewart, Chair, Compassion (Group 1, extra large, multiple focuses)

Stewart describes his background as ‘investment management and general management. I worked for Lend Lease as an executive for almost 13 years; gave up the Board in 1999 when I turned 55. I wanted a change of pace. Do more of a charitable thing.’ His description of the CEO he was looking for was more eclectic and included reference to the nonprofit sector.
‘So we were looking for someone who was visionary and who could continue that very creative way of looking at the organisation. Who could meet its mission and someone who was also a team player and saw the benefit of a collaborative organisation and someone who had run a commercial operation and had a financial role. Then there are other aspects, someone who actually had the sensitivity to be in the service sector.’

Stewart, Chair, Compassion (Group 1, extra large, multiple focuses)

However, Stewart’s view of the management requirements in the nonprofit sector reflects a for-profit commercial bias.

‘Unless a manager can run a charitable organisation in a commercial way, it would basically go out of business in due course. It would be inefficient … There are an awful lot of people running services who shouldn’t be running them … The commercial side is very important. Someone actually has to know the numbers. If you don’t have the experience and discipline of determining what good ideas to follow and what to say no to, you would simply create an elephant, or something. You have to work in the best interests of the organisation. You need somebody who actually understands business to do that. They’ve got to understand the commercial discipline and be totally convinced of the sense of the commercial discipline that actually adds a lot of value because it helps to prevent you from making stupid mistakes. There are a lot of things in the social sector people get emotionally attached to; it seems like a jolly good idea, why isn’t anyone doing it? And you go down that path and then you find out why nobody else is doing it. And if it’s such a good idea why isn’t the government itself involved in it? You’ve got to have a commercial focus to see the wood from the trees.’

Stewart, Chair, Compassion (Group 1, extra large, multiple focuses)

All the CEOs appointed in this group (for-profit Chair) had experience in for-profit commercial businesses. However, the extent of their for-profit experience varied and, as with Rhiannon, some of the appointees had considerable nonprofit experience as well.
However this nonprofit experience was perceived to be an added bonus as opposed to an essential requirement. Stewart’s comments on Robert’s attributes reflect this.

‘Well if you look at his past, the broad experience, like he initially started off with a legal background, then a company secretary, then he moved into international experience running Cultural Exchange out of New York, which is a major organisation and just looking at his career path and what he’d done. He had a lot of experience in a lot of areas that were highly pertinent to what we were looking for. We then looked at the guy and what he stands for, his approach to life, what he believes in, which was a natural fit I think to the way we were.’

Stewart, Chair, Compassion (Group 1, extra large, multiple focuses)

What Stewart omitted to mention in this summation of Robert’s experience, is the position he held as the CEO of an extra large disability organisation in Australia.

7.2.1.2 Group 2 – Chair with a background in either government or nonprofit community services

The following four organisations are in Group 2.

- Woodlands Attainment, (large, single focus)
  Chair: Sue
  CEO: Matthew

- Association of Family Care Organisations (AFCO), (medium, single focus)
  Chair: Allison
  CEO: Mark

- Focus, (extra large, single focus)
  Chair: David
  CEO: Thomas

- Support Care, (extra large, multi-focus)
  Chair: Benedict
  CEO: Paul
Group 2 – Chairs with a background in either government or nonprofit community services

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organisation</th>
<th>Size</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sue</td>
<td>Chair</td>
<td>Woodlands Attainment</td>
<td>Large</td>
<td>Single</td>
</tr>
<tr>
<td>Matthew</td>
<td>CEO</td>
<td>Woodlands Attainment</td>
<td>Large</td>
<td>Single</td>
</tr>
<tr>
<td>Allison</td>
<td>Chair</td>
<td>Association of Family Care Organisations (AFCO)</td>
<td>Medium</td>
<td>Single</td>
</tr>
<tr>
<td>Mark</td>
<td>CEO</td>
<td>Association of Family Care Organisations (AFCO)</td>
<td>Medium</td>
<td>Single</td>
</tr>
<tr>
<td>David</td>
<td>Chair</td>
<td>Focus</td>
<td>Extra large</td>
<td>Single</td>
</tr>
<tr>
<td>Thomas</td>
<td>CEO</td>
<td>Focus</td>
<td>Extra large</td>
<td>Single</td>
</tr>
<tr>
<td>Benedict</td>
<td>Chair</td>
<td>Support Care</td>
<td>Extra large</td>
<td>Multiple</td>
</tr>
<tr>
<td>Paul</td>
<td>CEO</td>
<td>Support Care</td>
<td>Extra large</td>
<td>Multiple</td>
</tr>
</tbody>
</table>

Table 7.2: Group 2 members

The Chairs of the selection panels in Group 2 had backgrounds in community services from either the nonprofit sector or government. When conceptualising what they wanted in a CEO, this group of Chairs emphasised the importance of service provision and understanding the nature of that provision.

Sue, the Chair of Woodlands Attainment, a large, disability service offering accommodation, community participation and employment services, had spent all her career working in nonprofit, non-government, community services. She appreciated the complexity in the role and the requirements of a CEO.
'Ok it’s … a really tricky question because there are … so many things you’re looking for you’re not quite sure if you’ll ever find someone… You’re looking for someone who’s got experience in working with people with disability – fundamentally you can’t work in a human service if you don’t inherently understand what you’re on about as an organisation. So if you have a set of values and principles that you operate by, you want somebody that can share those principles and philosophies and it’s a real problem if you’ve got somebody who is operating in a different mindset to that. So it isn’t necessarily just about a set of skills and experiences; it’s as much about values as it is about the skills and experiences.’

Sue, Chair, Woodlands Attainment (Group 2, large, single focus)

Moreover, Sue recognised the importance of being grounded in the service philosophy and delivery at the CEO level.

‘I remember Matthew responding in a way where I did get a feel that he did understand things like it’s an individualised service – that’s what a good service is. Even though the position is somewhat administrative… it seems even more important that those people can connect to … what you are trying to do. There is no point in having people in that very senior position if he doesn’t understand what it is that you’re on about as an organisation. So I think there’s a real danger, if the person isn’t absolutely grounded in what the service is about – if the management of the organisation is separate from its service delivery.’

Sue, Chair, Woodlands Attainment (Group 2, large, single focus)

In addition to the importance of a grounding in the service philosophy and delivery for the CEO’s internal management and leadership, Sue emphasised its critical role in external relationships as well.

‘There are so many influences on the organisation and its systems. There are pressures there all the time, whether it’s through Work Cover or a stakeholder
group or an advocacy group who are pressuring the organisation all the time to operate in a certain way. And consultation with stakeholders isn’t about doing what they ask. It’s about bringing that information in and thinking about it and thinking how it could actually benefit what we’re on about and what we’re doing and wanting. You need to be able to assess the pressures of government but still make your own independent decisions as an organisation. So you’ve got to fill out the forms and you must deliver a service in a certain way and you must have group homes and you must have four or five people in them to be viable – but the reality is you’ve got to have a way of thinking about that sort of stuff so that the organisation’s vision doesn’t get lost.’

Sue, Chair, Woodlands Attainment (Group 2, large, single focus)

Allison, the Chair of the Association of Family Care Organisations (AFCO), a medium, single focus organisation had a background in the disability sector, both non-government and government. ‘My last government positions were Senior Executive Service. Now I’m CEO of a major non-government children’s and family community service that’s a member of AFCO which is why I’m Chair of the Board’. In considering what was wanted in the CEO, AFCO started by taking account of the essentials of the role.

‘I think we really decided that … the policy development and policy advice and negotiating with government was the crucial role. I mean not that you couldn’t have someone who has the management skills, but you actually wanted content, we didn’t just want process.’

Allison, Chair, AFCO (Group 2, medium, single focus)

From the essentials of the role, Allison considered the likely places from which potential candidates might apply and the suitability of such backgrounds in terms of experience. Again experience with the ‘content’ of community services was paramount.

‘We wanted someone who preferably worked in the nongovernment sector as a CEO or at an equivalent senior position. But of course some of the people we interviewed had done the equivalent in government and we saw that as being ok.
We wanted someone who could demonstrate an active passion for children, but we wanted someone who had content in the community service sector; not necessarily only in children and family services because that would’ve just narrowed it too much.

In terms of the range of people we interviewed, we interviewed people from the Commonwealth government, from the NGO sector, from the state government and the local government.’

Did you get anyone from business?

‘Um we did, but we didn’t interview them, because they didn’t have the content. They didn’t have the children’s content or the community sector content.’

Allison, Chair, AFCO (Group 2, medium, single focus)

David, the Chair of the Board of Focus, an extra large, disability, membership based organisation is a lawyer with a background working in government. Focus, is newly created from the merging of four disability organisations previously operating in New South Wales, Victoria and the Australian Capital Territory. David identified bedding down the merger as a key challenge for the inaugural CEO.

‘The responsibility of the CEO is to … implement the merger of the four organisations… He will be responsible for the new brand in the organisation … and responsible for building the organisation into a stronger national organisation with a national voice… which is in a position to talk to national corporates about fundraising and support and which can make savings as a result of economies of scale and national capacity when we do service development.’

David, Chair, Focus (Group 2, extra large, single focus)

Given the task ahead, David was clear as to the skills and experience he was seeking in the CEO.
‘We were looking for a person with former CEO experience because it’s a big organisation and you need to have had experience in running a large organisation. We were looking for a person with experience at merging and bringing together different cultures in organisations because that was probably going to be the most important function over the next two or three years. We wanted someone who could share our passion and energy for the opportunities that will be there for this merged organisation … This organisation will have a great capacity to achieve a lot of things in the next few years and we really wanted someone to pick up and run with that and really maximise the opportunities.’

David, Chair, Focus (Group 2, extra large, single focus)

Nonetheless, the purpose and membership-based nature of the organisation remained central in the selection process.

‘We would have liked to have found a person who had a disability. We didn’t. We were disappointed about that but that’s the way it goes. We think that would have been a very strong statement to have made… So disability experience of course was essential and we knew that the key thing was a demonstrated capacity to merge cultures in one organisation.’

David Chair Focus (Group 2, extra large, single focus)

The priority given to disability experience, understanding the cultures of nonprofit disability services, merger experience and previous CEO experience reduced the likelihood of candidates from a for-profit business background.

‘Just thinking about the top six or seven candidates that we interviewed; they were from the disability and welfare fields … there weren’t any in that group from for-profit organisations, but we wouldn’t have excluded them on that basis; it’s just that nobody with the skills and experience was put forward by the recruitment consultant.’

David, Chair, Focus (Group 2, extra large, single focus)
Thomas, who was appointed, had been the CEO of a large diverse disability organisation that had taken over a number of smaller organisations. Consequently, he was experienced in drawing together organisational cultures and creating a common one. He brought a lengthy knowledge of the disability and welfare field and David was impressed with his ‘great energy and passion for change’.

7.2.1.3 Group 3 – the ‘safe’ candidate who knew the organisation
The following three organisations are in Group 3.

- People First (medium, single focus)
  Chair: Fredericka
  CEO: Doug

- Capacity Builders (medium, single focus)
  Chair: Winifred
  CEO: Mary

- Christian Fellowship Sydney (large, multi-focus)
  Chair: Walter
  CEO: Desmond

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organisation</th>
<th>Size</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fredericka</td>
<td>Chair</td>
<td>People First</td>
<td>Medium</td>
<td>Single</td>
</tr>
<tr>
<td>Doug</td>
<td>CEO</td>
<td>People First</td>
<td>Medium</td>
<td>Single</td>
</tr>
<tr>
<td>Winifred</td>
<td>Chair</td>
<td>Capacity Builders</td>
<td>Medium</td>
<td>Single</td>
</tr>
<tr>
<td>Mary</td>
<td>CEO</td>
<td>Capacity Builders</td>
<td>Medium</td>
<td>Single</td>
</tr>
<tr>
<td>Walter</td>
<td>Chair</td>
<td>Christian Fellowship Sydney</td>
<td>Large</td>
<td>Multiple</td>
</tr>
<tr>
<td>Desmond</td>
<td>CEO</td>
<td>Christian Fellowship Sydney</td>
<td>Large</td>
<td>Multiple</td>
</tr>
</tbody>
</table>

Table 7.3: Group 3 members
The Chairs of the selection panels in Group 3 were similar to Group 2 in that they had backgrounds in nonprofit and government community services. Where they differ is that their experience with the previous CEO became the primary influence in the recruitment of the current CEO. All the organisations in this group had appointed the previous CEO from a for-profit business background. The appointment was unsuccessful largely because of a lack of understanding of the organisation and its work. Consequently in this recruitment process that understanding was the decisive factor.

Fredericka is the Chair of the Board of People First, a medium sized, membership-based disability organisation. Her background is exclusively in ‘non-government, community-based disability services’. In the recruitment campaign for the previous CEO, the Board was heavily influenced by the rapid growth of the organisation, changes in government funding and the economic imperatives in the current political climate. Fredericka describes their thinking at the time.

‘Initially when we were recruiting we talked and talked about it and decided because of the change in management in the organisation and the changing political environment, we were looking more and more at corporate skills, with a strong management background and the ability to fundraise; the ability to be innovative and not reduce the budget; to work within the budget …but look for alternative funding as well so that we can grow and be more proactive in our work. So we put a strong emphasis on the importance of corporate skills and financial savvy.’

Fredericka, Chair, People First (Group 3, medium, single focus)

Because People First was a membership organisation that had been successfully proactive in employing people with disability, the Board thought that there was sufficient disability expertise within the staff to compensate for any lack of disability knowledge in the CEO.

‘We just said any kind of not-for-profit sector knowledge. That was a mistake. We appointed a person who had good corporate stuff, but didn’t know a lot about the
disability sector. The knowledge just wasn’t there. We weren’t totally concerned because we had really good staff and really good managers in the organisation. So we thought that the CEO could get away without that knowledge and those skills to begin with. They just needed to complement us and they needed to manage the organisation to get the good outcomes we need. Anyway, this person had really strong corporate knowledge but on the job, I was really concerned because he was talking with a bit of an ‘us and them’ kind of mentality and a bit of the medical model way of looking at things, and that was a major concern. He just didn’t seem to get it or get it quickly enough. He left after six months. It just wasn’t working.’

Fredericka, Chair, People First (Group 3, medium, single focus)

After the negative experience with the previous CEO, the Board of People First re-evaluated what they needed in a CEO and what was the relative importance of the different skills, knowledge and experience.

‘We needed to maintain the leadership; we needed someone who could work with the staff ... So I guess what we identified after that appointment was that we needed a blend. We needed someone with corporate skills and some knowledge about the sector and knowledge about the social model of disability. So we decided to appoint the next person on the eligibility list which was Doug because he has a disability; he’s a member of People First, he was working for a disability organisation and he was doing his MBA so he was getting the management and financial skills.’

Fredericka, Chair, People First (Group 3, medium, single focus)

At this point the Board accepted Doug’s MBA studies as evidence of management and financial skills rather than seeking experience in the for-profit corporate business sector as the preferred evidence. Moreover his personal experience of a disability and his knowledge of People First and disability organisations were of primary importance.
Capacity Builders is a medium sized, single focus organisation. Winifred, the Chair of the Board and the Chair of the selection panel, had 30 years in the public sector, nine of those as a Senior Executive in the Department of Community Services (DOCS). The appointment story of their previous CEO is similar to that of People First.

‘We put a sexy ad in the paper and on Career One we got some ridiculous number of applications 80 or 100 ... I did an initial cull myself – anyone who didn’t address all of the selection criteria I just dumped... we got it down to a short list of six people we ended up interviewing. Anyway we got this guy who looked absolutely fabulous: background in business, charismatic, financial background, everything that you would want. Short version is, 11 months later he left. And neither party was unhappy about that decision. There were issues around his personal style. Even though he had charisma, if you weren’t on his wavelength then he would shut you down. Oh I could go on forever it was just a disaster.’

Winifred, Chair, Capacity Builders (Group 3, medium, single focus)

The experience caused Winifred to reflect on the recruitment and selection process, which had been one in which she was trained and in which she had faith.

‘Obviously I still think that was the right thing to do. We had a unanimous selection committee decision, there was no doubt. We had a really good feel. When we narrowed them down there were at least two other people that we interviewed that I would have probably given the job to, but he stood out. So we did all the right things and failed.’

Winifred, Chair, Capacity Builders (Group 3, medium, single focus)

It also caused her to re-evaluate the essential skills and knowledge necessary for the CEO of Capacity Builders at this time.

‘At that point I thought, well good girl Winnie for trying – but guess what – all I want is someone reliable in the position that can demonstrate that they’ve done the job – and I’m not going to go through that again, at least not now.’

Winifred, Chair, Capacity Builders (Group 3, medium, single focus)
Having been burnt by the appointment of the previous CEO, Winifred took an acknowledged safe path in finding Mary as the replacement. Moreover, Winifred’s existing knowledge of Mary and her work became an invaluable comfort and Mary’s knowledge of the organisation became an invaluable asset.

‘So, Mary had been on the Board for some seven years, five of those as treasurer; she knew the organisation, she knew its history. She knew where the bodies were buried. She knew about the financial tensions we’d had. So I just took an executive decision when I realised that the CEO that we’d selected through this fantastic process was going to do a bunk and I wasn’t unhappy about that. I had a quick meeting with the executive committee and said “OK, our options are to go to a mass recruitment again and I’m not going to do it by the way, but it is an option. Another option is to do some head hunting, limited head hunting. Not sure if we’ve got time to do that. Another option is that we could ask Mary to do the job…” So I did the right thing, I got her to give documentation of what she would do and what she thought she would bring to the job etcetera. I got her to give me two referees which I checked. So I went through the proper process. It wasn’t just a tap on the shoulder. …I’m very happy, because I can sleep at night. As Chair of the Board I know that the money’s not being diddled, that she’ll get the job done, that her personal style is appropriate. I think she brings a lot of skills, and experience. I mean she has managed two other medium-sized not-for-profit organisations. So she’s done the job. And the other thing, as I said, that swayed me, was that she knew the organisation, and for me that was just invaluable. I could sleep at night. That’s a criterion for me – that the Chair can sleep at night.’

Winifred, Chair, Capacity Builders (Group 3, medium, single focus)

Desmond was an internal candidate when he was appointed CEO of Christian Fellowship Sydney, a large, multi-focused organisation. Walter, the Chair of the selection panel and the Board attributes Desmond’s appointment in part to the negative experience the
organisation had with the previous CEO and the positive experience they had with the CEO before that. Walter said:

‘We had a long-term CEO, who knew the organisation well and he retired. He had effectively been an internal candidate when he was appointed. He’d come in and was a 2IC (second in charge) for about five years or more. Anyway when he left we appointed an external person with a commercial background as CEO. I don’t want to say anything disparaging about the previous CEO, other than he was a great sales person but he didn’t know the organisation. He was actually dismissed after 4 years.’

Walter, Chair, Christian Fellowship (Group 3, large, multiple focuses)

In the light of that unsuccessful appointment, Christian Fellowship re-evaluated what was important in a CEO and prioritised a commitment to the ideological values and knowledge of the organisation. It recruited again but this time it sought to include candidates that fitted with its previously tried and true formula. Walter, the Chair said:

‘So we went back out to the market again and this time we were looking for something different. We wanted a better knowledge of the organisation and a better ideological commitment. I think the previous CEO may not have had a commitment to the ideological achievements of Fellowship. We advertised, both internally and externally. Then the national CEO of Fellowship who was on the selection panel suggested contacting Desmond and encouraging him to apply.’

Walter, Chair, Christian Fellowship (Group 3, large, multiple focuses)

Clearly the past experience of the Chairs of the selection panels heavily influenced their orientation to the recruitment campaign. In the majority of instances, with the exception of Sustenance and Minds Alive, they appointed a CEO that fitted their preconceived idea of what they needed.

As Parker (2007) found, the significant relationship in the nonprofit CEO role is with the organisation’s Board or management committee. Consequently getting the right match
was paramount for these 11 organisations. It was relatively early days for all the CEOs in their positions; nonetheless, there was evidence in some of the interviews that high levels of trust important to a successful relationship (Mole, 2003; Stiles & Taylor, 2001) were already developing. As Winifred said, with Mary’s appointment she can now sleep at night. Rhiannon describes her relationship with Don, the Chair of Sustenance, in mentor terms but with a confidence that suggested an underlying equality and respect.

‘Don is an extraordinarily driven guy and I think he was so keen to make it work that he just wanted to find the chemistry, whatever that was, to make it work and he took a chance that I had some of that … He put me in his office, sitting on the other side of his desk and taught me everything he knew about the food industry… introduced me personally to all the companies…and I pushed him in the end, I was saying let’s go and meet this guy. I mean he spent probably six hours a day, five days a week for about eight months making sure I had the information I needed to do the job. And then I think he took a deep breath and thought OK, it’s gonna work.’

Rhiannon, CEO, Sustenance (Group 1, small, single focus)

7.2.2 Boards and management committees

In the interviews, all the CEOs and Chairs of the selection panels talked about the organisation’s Board or management committee. In most instances the selection process finished with the best applicant being introduced to the full Board prior to the formal offer of the position. Carl the CEO of Minds Alive, a Group 1, small sized, single focused organisation, saw this final step as an assessment of the ‘match’.

‘It’s how you click with them – the Board, and how well they will get on with me. I really believe that by the time you get short listed to that point it comes down to – do they like you, and do you like them?’

Carl, CEO, Minds Alive (Group 1, small, single focus)
The comments of both the Chairs and the CEOs revealed much about the changing challenges of the role and the changes in the composition of Boards and management committees over the last decades. Their observations are relevant to the general background of CEO recruitment and appointments. What is more, they add detail to the growing picture of nonprofit community services currently.

7.2.2.1 The operating context
There was overwhelming acknowledgement in all the interviews that the role of governance of nonprofit community service organisations has changed. The current operating context with increased complexities requires a range of skills and experience from Board members in order to function effectively.

‘Management committees and Boards from not-for-profits would probably think it’s a much more complicated, sophisticated, challenging task to run an organisation like this now; more so than it used to be. Therefore we need leaders who really have got excellent management skills, good leadership skills and that can come from a variety of different backgrounds. Definitely there is a cohort of those people from the for-profit world and if you find the right kind of person out of that experience, that can be a successful way to get leadership in for an organisation like this. And I don’t think it’s ‘either or’. I think what Boards just tend to say is “Look we can fish in a bigger pond for effective Board members.” It just doesn’t have to be somebody from the not-for-profit world any more… you know you get some excellent, really outstanding candidates coming from the for-profit sector.’

Robert, CEO, Compassion (Group 1, extra large, multi focused)

Robert’s comments were typical of the CEOs and Chairs from Group 1 where organisations sought for-profit business experience in their CEOs. A clear distinction between the for-profit and nonprofit sectors was maintained in their consideration of the skills and knowledge needed to address the complex challenges entailed in governance. The overriding view prevailed that it was important to search in both sectors for the best.
Carl, the CEO of Minds Alive, had worked in both the for-profit business sector and the nonprofit sector, as had Rhiannon, the CEO of Sustenance. Moreover, like Rhiannon, the majority of his work history was in the nonprofit sector and that was where he preferred to work. Carl considered that in general the governance responsibilities in the nonprofit sector are more demanding than in the for-profit-sector.

‘Because you are dealing with money – government money – you know you’ve got to be transparent; you’ve got to be careful. You are not selling widgets – you are selling good will. And mastering that, I think requires more than the demands of a for-profit industry.’

Carl, CEO, Minds Alive (Group 1, small, single focus)

Winifred, the Chair of the Board at Capacity Builders (medium size, single focus), expressed similar sentiments, acknowledging the demands on Boards and the value in Board members with differing skills and experience. However, typical of Groups 2 and 3, she did not distinguish between for-profit and nonprofit experience.

‘I just think that in today’s world, government’s requirements of Boards are very different. There’s still no doubt lots of Boards of small to medium sized non-government organisations that have a lot of people on them who are there because they care about the business of the organisation. But when you look at the requirements of ASIC (Australian Securities and Investment Commission), the obligations on the directors are huge… You know we have a solicitor and an accountant and we have a professor and we have a whole lot of other people with the right sort of skills on the Board.’

Winifred, Chair, Capacity Builders (Group 3, medium, single focus)

As these comments reflect, meeting the increasing demands of governance has required certain skill sets on Boards. This, in turn has seen a change in the composition of Board members.
7.2.2.2 Changes in the composition of Boards
Winifred provided a perspective on the changing profile of Board members since the time that nonprofit direct services were established by families and concerned community members. In doing so, she broadened the performance requirements of Boards from government regulations to community expectations.

‘Let’s just use disability services as an example. When some of those organisations were set up, the old Challenge Foundation, they were parents. Now those parents have died and sometimes their kids or friends or relatives are now on management committees and Boards. So just by necessity the members of the Boards have changed … even though there might still be family links. I think there’s an understanding in the community that the community has a right to expect certain things from those organisations. Not just the parents or the family members of the people that are receiving the service from them. So at all levels I just think community standards, governments, expectations have changed.’

Winifred, Chair, Capacity Builders (Group 3, medium, single focus)

Neil, the Chair of the Board from Minds Alive, a small sized single focus organisation that falls into Group 1, described the transition his Board went through from family members to members with a for-profit business background.

‘A number of other people were brought on with similar backgrounds to me – with business backgrounds. So the Board changed in context quite significantly from being purely people with MND (motor neurone disease) needs. In the past it was people with family that had died from it or had it or whatever…. to a group of people with business backgrounds.’

Neil, Chair, Minds Alive (Group 1, small, single focus)

Compassion (Group 1, extra large multi focused) was quite strategic in recruiting members with for-profit experience.
'A search firm acting on behalf of Compassion gave me a ring. They wanted to expand the Board. They wanted more of a mix, a bit more commercial knowledge on the Board, that sort of stuff. So I joined. My background is investment management and general management.'

Stewart, Chair, Compassion (Group 1, extra large, multiple focuses)

In addition to the specific skills and knowledge sought through strategic recruiting, Stewart’s comment raises the issue of the mix on Boards. This was a central consideration for a number of the CEOs and Chairs.

**7.2.2.3 Balance**
Getting the right balance of skills and experience in Board members was commonly acknowledged as an issue by CEOs and Chairs in Groups 2 and 3.

‘There is no such thing as a perfect not-for-profit Board. But I wouldn’t go to a community-based Board where they are all clients on the Board… We have to have a balance and it’s hard to get the balance right. Equally I’d have real trouble with the Board that’s all been business experience. You know I think often they get it wrong in the not-for-profit sector … I don’t think they actually understand the value base. They don’t understand the relationships.’

Thomas, CEO, Focus (Group 2, extra large, single focus)

Benedict, Chair of Support Care, a Group 2, extra large multi focused organisation, described the balanced mix of backgrounds on his Board that appeared to successfully blend nonprofit, for-profit and government experience.

‘Probably about a third would be accountants, business-like people, lawyers; three of us are priests. We’ve got a Family Court judge. We’ve got an ex-government minister, so an interesting sort of mix. It works well.’

Benedict, Chair, Support Care (Group 2, extra large, multiple focuses)
Stewart the Chair of Compassion (Group 1, extra large, multiple focuses) was typical of Group 1 where there was a concern about getting the right people and a focus on sourcing them from the for-profit business world. Stewart’s view on the advantages of high profile Board members is typical of Group 1 in that it is exclusively framed in the business sector.

‘Some charities which are quite large have people who are well known. Why are they there?

a) Because they give credence and kudos to the charity.

b) Because they have a role in business and they may help in terms of sponsorship and funding.

c) They have some sort of experience or whatever.’

Stewart, Chair, Compassion (Group 1, extra large, multiple focuses)

Irrespective of where new Board members are sourced, appreciating what motivates people to work voluntarily on Boards is central to recruiting members.

7.2.2.4 Motivation
Regardless of the desires of the organisation in seeking out certain types of Board members, those people that agree to become Board members are motivated for particular reasons too. Some reasons are easier to identify than others. It is reasonable to assume that for family members of service users and members of an organisation, they directly benefit from their contribution through the services of the organisation. Employees in community services, be they government or nonprofit, gain valuable career experience through Board membership. The benefits for people from the for-profit sector are less clear and direct. In reflecting on the issue of motivation, Rhiannon from Sustenance (Group 1, small, single focus) offered the following explanation.

‘If you dig down with these guys, scratch harder… there’s a very strong personal reason why they’re there. Some of them maybe have, for the first time in their lives, encountered poverty, not personally, but through the eyes of a study tour even. Some of them have reached an age where they’re saying, “I’m getting older,
life is running out, and I’ve seen some wonderful things and what can I give back?” There’s reasons why they’re there and some of them have had personal encounters with enormous health scares in their families or themselves. Some of them just, just ‘get it’.

Rhiannon, CEO, Sustenance (Group 1, small, single focus)

Rhiannon’s comments bring the focus back to the centrality of values in nonprofit community services. As the literature in Chapter 4 on Careers emphasised, values alignment between the organisation and the CEO is key to a successful match and effective leadership.

7.2.3 CEO values alignment with the organisation

All the CEOs identified in some way with the community service nature of the core purpose of their organisations. Very few used the term ‘values’. ‘Passion’ was a more common term used to describe the depth of personal commitment. Nonetheless there were subtle differences between the CEOs from a for-profit background in Group 1 and the CEOs in Groups 2 and 3.

The CEOs in Group 1 framed their decision to work with the organisation in the context of moving from the for-profit world of business to the nonprofit world.

‘I guess it’s a lot like other people from what I can understand from talking to my peers; that it’s really a chance to take the skills that I’ve learnt in the corporate world and apply them in an area that I’m passionate about … largely because I have a daughter with a disability… And, to do more immediate good.’

Dexter, CEO, Access for All (Group 1, extra large, single focus)

Dexter’s personal experience with his daughter brought him into contact with nonprofit disability services. This personal experience is reflected in the explanations of the other
CEOs from Group 1 that came from a for-profit background, although their personal experiences are not so directly related to the core business of their organisations.

‘I enjoyed my time in the for-profit world, particularly when I worked for Rio Tinto which is a terrific company. It was a great experience and I really enjoyed it. I think by the late 1980s when I was in my early 40s, I said well I could keep doing this for another 20 years, or I could go and do something different… so I decided to take a different shift in my life. I was pretty familiar with the non-profit world through my volunteer work around student exchange programs, because through the 1970s and 1980s they were really run by community volunteer groups in Australia … I was an exchange student myself when I was 17 … So I could see that non-profit is a sophisticated management challenge and leadership challenge… So it’s professionally challenging and interesting to work in this area. There are also personal levels of satisfaction and enjoyment in what you do and how you do it and what the results are going to be at the end of the day. So as I said sort of farewell to the profit world I then thought that I could move onto somewhere where I could actually use my skills and experience in a new area that would be very personally fulfilling as well.’

Robert, CEO, Compassion (Group 1, extra large, multiple focuses)

The explanations of the CEOs from a for-profit background in Group 1 suggest that they were taking stock of their working lives and looking for a sea change at the time that they moved to the nonprofit sector. In this respect they differ distinctly from the CEOs in Groups 2 and 3 who have actively pursued careers in the sector to achieve systemic change. Some were motivated by personal experience, others by a deep seated sense of injustice.

The personal experience of deafness influenced Doug, a CEO in Group 3. He is deliberately carving out a career in the nonprofit sector, having moved from a small disability rights organisation to People First, a larger and broader based disability rights service.
‘Incredible passion; I am passionate. I really think I bring that passion. Also I know what it’s like to be discriminated against. I don’t have a visible disability or the experience of someone who has been in an institution – but I do understand it is about social barriers, so that’s something else. … It’s opportunity to take on advocacy work myself.’

Doug, CEO, People First (Group 3, medium, single focus)

Desmond the CEO of Christian Fellowship Sydney describes the growth of his commitment to the organisation and the sector from the time he joined the organisation as a new graduate.

‘When I first started at Fellowship I was a casual, it was a job. I saw myself moving on in a couple of years. The more I got to know about Fellowship as an organisation, its world work, its youth developments, its focus on different programs, the more I got to really fall into the not-for-profit ethos. So, I work hard, not for a shareholder return or a bonus, but because I am involved and committed. I am certainly committed to the organisation, but I am also committed to the not-for-profit sector.’

Desmond, CEO, Christian Fellowship (Group 3, extra large, multiple focuses)

Mark, CEO of the Association of Family Care Organisations (AFCO), describes the experience that crystallised his values and commitment to working in the sector.

‘My value base is about fairness. I’m not particularly fond of people, but I hate injustice. … People are mostly the ones that actually perpetrate injustice but they are also the victims. … I just used to get very cross. I was working in special education and you came to it very early on, how privilege dictates your life chances and it happens very early. And then disadvantage compounds disadvantage. You know, kids they’re poor – don’t learn therefore they stay poor, therefore they don’t get an education, and therefore their kids stay poor…. Services are a compassionate response to inequality…. We know in a wealthy country like Australia, people should not be homeless unless by choice and people
should not be really poor. All of those things are a blight on our national psyche I think.’

Mark, CEO, AFCO (Group 2, medium, single focus)

Rhiannon the CEO of Sustenance reflects the big picture thinking and context for her work that is characteristic of CEOs with a background in nonprofit organisations. It indicates a blending of the political and personal values that underpin her career in the sector.

‘I love working for NGOs I really do. I just think in Australia it’s disgraceful that we should have a hunger problem. It’s disgraceful that we should be arguing with East Timor over the border on oil. It makes me ashamed that we should take a country that had the shit bombed out of it and argue with them about where the line is so that we can get a few billion more oil dollars when all they need is potatoes so they can eat basically. So it’s very easy when you think like that … to say well I need to work in the sector; do my little bit … It’s a tiny contribution back to a country that’s supported me all my life.’

Rhiannon, CEO, Sustenance (Group 1, small, single focus)

These comments reflect a strong values base even if they are not specifically framed in values language. This is similar to the way other CEOs and Chairs talked about their organisations.

7.2.4 Organisational values

All Chairs and CEOs described the core purpose of the organisations in the course of the interviews. The core purposes were all explicitly social justice in nature and in that respect they were inherently value laden. Nonetheless there was a difference in the style of description between the Chairs and CEO from a for-profit background in Group 1 and the Chairs and CEOs in Groups 2 and 3. Don the Chair of Sustenance from Group 1 gives a very concrete description of his organisation’s core purpose.
‘Here is product that is being dumped; there are people over here who are hungry. And there are more people going hungry at the moment than you could shake your leg at. And here we are, a middleman who is making that food available to them.’

Don, Chair, Sustenance (Group 1, small, single focus)

Dexter, CEO of Access for All from Group 1, commences his description with a visionary statement and then continues with a brief description of the organisation’s services and service users.

‘Our purpose in life is to enhance the lives of people with disabilities… We’re quite a broad provider in every sense of the words. We’ve got a broad range of services, broad range of disabilities; we’re not focused on any specific disability.’

Dexter, CEO, Access for All (Group 1, extra large, single focus)

By contrast and typical of the descriptions from Groups 2 and 3, David the Chair of Focus places the core purpose of the organisation in a broader social and political context.

‘There are barriers that any people with disabilities face and there are two ways to address them. You can either support, train or whatever a person to deal with a particular barrier in the community or you can work with the community, government or whoever is responsible for it to remove the barrier, and often that second course of action is a far more effective way than the first. So, inevitably, an organisation like this will do some advocacy and policy work as well as providing that service provision.’

David, Chair, Focus (Group 2, extra large, single focus)

As previously addressed, organisational values are the guiding principles and frame of reference that underpin the mission and purpose of the organisation and inform and influence decisions and actions. Moreover they can be formally articulated or not.
Throughout the interviews it became clear that both social justice values and economic values were operating in all the organisations. This confirms the predications of the literature chapters, and the conceptual framework for considering the impact of incommensurable values.

7.2.4.1 Social justice values
Interviewees with a nonprofit background made reference to their organisation’s social justice values quite specifically and from a number of points of view. Paul, CEO of Support Care, a Catholic organisation placed the organisation’s values in the historical context of church based social services.

‘The Uniting Church has a very strong social justice thing and I think they share that with the Catholic Church … Social justice that’s a Catholic social tradition, and out of it grew things like the union movement; social work grew out of it from Catholic universities in the [United] States.’

Paul, CEO, Support Care (Group 2, extra large, multiple focuses)

Fredericka, Chair of People First, placed her organisation’s values in the twentieth century human rights movements.

‘It’s disability within the framework of human rights.’

Fredericka, Chair, People First (Group 3, medium, single focus)

Allison, the Chair of AFCO, saw a strength and resilience in her organisation’s values that is independent of individual leaders and workers.

‘I inherited an organisation with a very, very strong value base and I’m building it to retain it. … Our values come out of genuine social work... I think it is grounded in social work practice. And I think there is probably something about these older organisations too. I think we are rooted in our history and I think as long as you understand what that means. It’s important to honour it but not to be
ruled by it. …I think that part of the value base that probably stops you from going off the rails is the commitment and the voices of your service users.’

Allison, Chair, AFCO (Group 2, medium, single focus)

Allison took the independence of organisational values one step further and emphasised their independence from the influence of government funding bodies.

‘I mean I don’t care whether DOCS (Department of Community Services) thinks our values are good values or not. That’s absolutely irrelevant to me.’

Allison, Chair, AFCO (Group 2, medium, single focus)

The relationship between the organisation’s social justice values and the direction and actions of the organisation were also important as Desmond, CEO of Christian Fellowship describes.

‘Our mission statement is that we work from a base of Christian values … which are arguably humanistic values anyway. But they don’t have Christian rituals in the functional day-to-day life of the organisation … We are more contemporised in building strong people, families and communities. An example of probably where Christian values or just humanistic values can transpose into our work irrespective of religion is Ramadan. Through Ramadan, Fellowship will open late of an evening because if we look at an Australian environment, which is longer daylight hours than the northern hemisphere for Ramadan, we have potentially had people who have fasted all day and then at 9 or 10 o clock at night they have their first meals, and they’re ready to go.’

Desmond, CEO, Christian Fellowship (Group 3, large, multiple focuses)

Mark, CEO of AFCO, reflected an appreciation of the accountability that organisations and their values have to improving the broader community.

‘Unless you can justify that you actually value add to society in some way or to the social debate in some way or that you meet the needs of people in a
meaningful and lasting way, you don’t have a right to exist just because you’ve been around for a hundred years. That’s where charities have to be more accountable in the way they explain themselves to the general community… They have to articulate what they are and not be afraid to be examined.

At the end of the day there is a lot of money, public money, that goes in either via government or by the community, billions of dollars, that gets poured in and people have a right to say “Well what return am I getting on that?” And I’m saying “Well you’re not getting a return unless the whole goal for this generation and the next generations is to raise the bar of humankind. To raise the sense of what it means to be a decent human being. That’s what your goal is.” Once we actually stop people dying in the streets, then we stop them doing this and doing that, and at the end of the day we raise the social expectations of all of us and the community.’

Mark, CEO, AFCO (Group 2, medium, single focus)

7.2.4.2 Staff and organisational values
The importance of staff sharing the organisational values was acknowledged by interviewees in all the Groups. Paul the CEO of Support Care related the importance of the staff’s values directly to service provision.

‘It’s sort of ‘above the service provision’. You need someone who does it with some compassion and a genuine interest for the person receiving a service, rather than a sausage factory mentality, I think it’s critical.’

Paul, CEO, Support Care (Group 2, extra large, multiple focuses)

Mark, CEO of AFCO, wanted staff to see the bigger picture in what they were doing.

‘They need to go on a bit of a journey about social change, not just running the best out of homecare system.’

Mark, CEO, AFCO (Group 2, medium, single focus)
Doug, the CEO of People First, saw the inherent management challenges in hiring staff with the right values and then maintaining their motivation and commitment.

‘Keeping my staff motivated and believing that they really are doing something that really is worthwhile … Finding good people to work with, yeah that’s one of the greatest challenges.’

Doug, CEO, People First (Group 3, medium, single focus)

Robert, CEO of Compassion, had the view that choosing to work in the nonprofit sector in itself reflected a choice around values.

‘I don’t think most people are actually going to work for their pay package as such…there is a whole range of issues that aren’t financial which is about job satisfaction, values – a little bit about who you are and how you identify yourself in terms of a role, and those issues are a little bit more in clay and a little bit more obvious sometimes in the not-for-profit sector.’

Robert, CEO, Compassion (Group 1, extra large multiple focuses)

This view was shared by Desmond, CEO of Christian Fellowship, who made the comparison with work motivation in the for-profit sector.

‘The fundamental unique thing about the not-for-profit sector is, I believe, that we work hard from a more ideologically sound base. I mean, we do it because we actually want to make Australia a better place. We do it because we believe in what we are doing. One of the things Fellowship is strong in is we don’t give performance bonuses. So you don’t work hard because at the end you get the Christmas cheque in the mail. You do it because you believe in it. Our Board are volunteers. So there is no direct remuneration; there are no dividends or shareholders. So I think what’s unique is you really buy into “Hey we do this because we believe in what we do” – not because of the Macquarie Bank benefactory and your millionaire friends.’

Desmond, CEO, Christian Fellowship (Group 3, large, multiple focuses)
Stewart, from Group 1 and the Chair of Compassion, echoed the importance of values alignment between staff and the organisation. However, he does not specify which organisational values he is referring to and his comments can just as easily apply to the organisation’s economic values as their social justice values.

‘We don’t want someone who says “Well this is where we’re going”, but they don’t quite believe it. That’s just undermining. We looked for people who are enthusiastic and passionate about what they are doing; and also working to work together using multiple points of view in terms of addressing challenges.’

Stewart, Chair, Compassion (Group 1, extra large, multiple focuses)

7.2.4.3 Economic values
All the interviewees expressed some economic values in relation to their organisation even though these economic values are not formally espoused in the organisational values. There were two different types of economic values described. There were those economic values that represented a commercial, for-profit, business orientation and there were those economic values that were couched in terms of the organisation’s efficiency and effectiveness in achieving its social justice core purpose.

Dexter, the CEO of Access for All and typical of Group 1, reflects on the commercial, for-profit, business economic values.

‘The place had grown and evolved and therefore become more complex over time… Leonard was the founder and he had a very commercial vision he really wanted the place to be self sufficient as a business organisation. And Joan had similar views. And I think with Joan’s retirement the Board said “What’s required to run an organisation like this apart from leadership?” And I think the phrase in the ad was “a business leader with heart”.

Dexter, CEO, Access for All (Group 1, extra large, single focus)
By contrast Fredericka, the Chair of People First and typical of Groups 2 and 3, was also keenly aware of the importance of economic viability. However, her concerns were directly related to the demands of the current competitive funding context and the ability of the organisation to achieve its mandate.

‘We’ve got such a really large mandate in terms of the stuff that we could do, and what we do is dictated by the capacity of the organisation. So a key role that the CEO needs to play is in financial management within the organisation and in locating alternative sources of funding, writing submissions, identifying tenders that can be suitable for the organisation to do. So the position has evolved from one that was about human services management to one that increasingly needs skilled business strategies in the current political environment. The competitive tendering, for example, requires us to maintain our competitiveness with other large non-profits and for-profits.

We need to maintain our grass roots base but we also need to show that we are professional, that we have the business and financial knowledge and can respond and can address these policy areas. Now when you are given funding, governments look at your business areas and how well you can manage money. So if you have a bad track record – you don’t have much chance in the world of tendering and all that.’

Fredericka, Chair, People First (Group 3, medium, single focus)

Dexter was focused on funding bodies as well and the importance of accountability but, again, it was couched in business terms.

‘You still need to run a very tight business for accountability to the various funding bodies and to your stakeholders and clients and also, because losing money is a recipe for ceasing to exist in the long run, you need to be efficient. The delightful thing is that if you can make a profit you get to reinvest it in the business; you don’t have to return it to shareholders. You get to fund innovation or new services or strengthen the balance sheet or whatever the needs are; you
get to retain and spend the fruits of your efficiency and effectiveness I guess. It’s actually quite liberating. It makes it very easy to encourage people towards strong operational performance.’

Dexter, CEO, Access for All (Group 1, extra large, single focus)

Winifred from Group 3, Chair of Capacity Builders, expressed similar sentiments to Dexter in terms of unspent resources; however she was at pains to draw a distinction between these circumstances in the for-profit sector and the nonprofit sector.

‘I don’t think the not-for-profit sector looks anything remotely like the for-profit sector and nor will it ever. The for-profit sector is absolutely driven by the bottom line. And the not-for-profit sector is not. The not-for-profit sector by its nature is inherently about a community based focus. Of course it has to manage its resources, and I would love to have a surplus at the end of year. We wouldn’t call it a profit; we’d call it a surplus which gives us a capacity to perhaps do some things that we weren’t able to do last year.’

Winifred, Chair, Capacity Builders (Group 3, medium single focus)

Interviewees from a for-profit background in Group 1 aligned financial competence with commercial, for-profit skills and experience. As Stewart the Chair of Compassion expressed it:

‘Unless a manager can run a charitable organisation in a commercial way, it would basically go out of business in due course. It would be inefficient … You’ve got to have a commercial focus to see the wood from the trees.’

Stewart, Chair, Compassion (Group 1, extra large, multiple focuses)

The interviewees in Groups 2 and 3 all recognised the critical importance of financial and economic expertise in operating their organisations; however they did not associate that expertise with commercial, for-profit experience. They viewed the skills as generic and the expertise as derived from an understanding of the ideology and operating context of the nonprofit sector.
‘Some people will come in and think of it as a corporate organisation and try and have a different ideological approach. I’m a big believer that not-for-profits are as professional, and as cutting edge, as any commercial organisation – we just do it with different ideology. …If you look at financial management, well we need people who are sharp in a whole range of financial management skills, cost, value, return on investment – all the type of numbers and reporting that we do to our Board … So I don’t actually think there is anything in the skills base that is different. I think again it comes back to training people in why we do what we do? So you want the best accountant in the field just the same as corporates do.’

Desmond, CEO, Christian Fellowship (Group 3, large multiple focuses)

Challenging the view that financial and economic expertise is most valuable when it comes from a commercial, for-profit background was a common theme in the interviews from Groups 2 and 3. Allison had experienced problems with people from a commercial background.

‘So the trouble with using commercial people is they actually don’t understand that that’s what the sector is like, so the fact that you’ve only got just enough money to cover your debt in the bank is neither here nor there because we’re never going to have any more, ’cos we’re not interested in profit.’

Allison, Chair, AFCO (Group 2, medium, single focus)

Mark was quite cynical about the ethics and the financial and economic expertise in the for-profit business sector in the first place. Moreover, he had significant concerns about the effects of a loss of identity with the blend of for-profit business practices and nonprofit cultures.

‘There is an assumption that all knowledge rests with the business community. Now I hazard to guess, that probably percentage wise, more businesses go belly up than those in the community service sector do. But, there is probably more corporate fraud and that sort of thing going on in that side of town, than in this
sector. So, all the indicators that we are supposed to actually model ourselves on are bloody built on greed, avarice, and growth – now is that the ethos that we actually want to see driving the non-government sector? I don’t think so. But I think as part of that notion that we are corporatised, we are privatised, they see themselves as industries and they lose the notion about part of what they are; what is their ethos and their ideology and their culture. And unless you’ve got that, you can have the best programs under the sun, but unless you live the values, unless you have the fire in the belly that there is injustice out there you won’t create lasting change.’

Mark, CEO, AFCO (Group 2, medium, single focus)

Thomas identified different drivers between the for-profit sector that worked on market forces and the nonprofit sector that relied heavily on relationship forces.

‘We don’t follow the same rules because in the business community there is the invisible hand of the market and market forces, supply and demand. But in the not-for-profit sector you see like eight guide dog organisations with 600 guide dogs in Australia … you tell me how efficient that is. It’s not going to be resolved by market forces, because people will just give hand over fist to the dogs … So market forces are not going to actually resolve it. It will be relationship forces and that sort of substance that will resolve it … The management challenge is how we deliver the services in an economically sustainable way. The difference between the not-for-profit and the for-profit service is that the quality of the not-for-profit services produces a quality of relationship, recognition and reputation; the for-profit services produce increased revenue.’

Thomas, CEO, Focus (Group 2, extra large, single focus)

7.2.4.4 Values blend, tensions and incommensurability
Recognizing the need for a blend of social justice and economic values was common to all interviewees. Yet, again the emphasis was different between the interviewees in Groups 2 and 3 and interviewees in Group 1 with a for-profit background. Desmond
expresses a common view held in Groups 2 and 3 that both value sets are essential and essentially need to be interrelated.

‘You just can’t survive in the not-for-profit sector in Australia unless you are business-like. There’s a balance though between being business-like and understanding what we do for a much deeper reason, for that fundamental ideology. So the challenge is, as we train our managers and staff to be more professional, to be technically advanced, to use best business practice processes and assistance in whatever they are doing; the challenge is to keep that parallel of ideology in the forefront. It is business but we actually do it for a much stronger reason; it’s our mission. And we actually do different things than the for-profit provider down the road – so there’s a balance of being business-like, but then being true to who you are as an organisation.’

Desmond, CEO, Christian Fellowship (Group 3, large, multiple focuses)

Stewart, from Group 1, in describing the importance of a blend of value sets, reflects the view that the best economic management strategies will inevitably come from the for-profit sector.

‘It is absolutely critical to have people in there who understand the social justice side, the societal aspect, the service aspect and so on. We should be picking up the best of that, but mixing with that the best ideas that come out of what I call corporate Australia. And if you can have those two interacting, life can actually be a lot of fun.’

Stewart, Chair, Compassion (Group1, extra large, multiple focuses)

Stewart’s view that life can be a lot of fun with an ‘interaction’ as he calls it, of social justice and business, reflects his enthusiasm for the mix. Nonetheless, it seems a little optimistic and could be construed as naïve.

The overriding view of most of the interviewees in all three groups was that the values blend brought with it an inherent tension between the economic requirements and the
social justice purpose. Ian was typical of Group 1, where the fundamental concern was
the need for commercial business practices, first in order to enable the organisation to
grow and the social justice services to be funded.

‘So, you do have this conflict sometimes between making a profit – which enables
you to keep going and to put money back into the place – and the welfare. If you
are only interested in the welfare then you end up going broke. You’ve also got to
be hard in terms of business skills and commercial – because if you don’t you
won’t have an organisation. So you do have this conflict sometimes between
making a profit which enables you to keep going and to put money back into the
place and just the welfare. If you aim for just the welfare and that, you end up
going broke. If you are too hardnosed about return on assets and this sort of thing
you can go the other way and forget about the welfare.’

Ian, Chair, Access for All (Group 1, extra large, single focus)

Paul from Group 2 was only too aware of the tension between economic and social
justice values from direct experience with the Commonwealth Government funded Job
Network program. It is reasonably well funded but it brings with it dubious requirements
on practice such as breaching service users who do not attend job interviews and thus
reducing their already meagre benefits when they are living well below the poverty line.

‘There’s a real tension in the organisation between what’s been the business end
of things and the service end of things … People often point to other agencies, like
maybe Mission Australia or something and say they’ve got lost in their business
plan and it’s a real tension… So the tension is about – do we turn down
government funding for a particular program because we think that it’s not
appropriate for our mission. And that’s where the tension is. Behind closed doors,
like when we were deciding whether we were going to do Job Network or not.
There was a real break between management and the Board. They felt no, we
shouldn’t be in on it. It was really going in a direction we’re not comfortable
with. Management felt, no, we need to do this because we think we can meet the
targets and still deliver a compassionate service that meets needs. So there was a
difference there. I think everybody was after the same thing, but there was a tension there in terms of “do you do it or don’t you do it?”.

So, yeah, it can be about whether you expand. The Board might say to me “We don’t need to grow” and then we’ll turn around and say “We need to give ourselves an opportunity to grow.” Balancing the mission and the business both really means looking at going until an issue like Job Network arises and then you’ve got to look at the value base as well…”

Paul, CEO, Support Care (Group 2, extra large, multiple focuses)

The issue of size and with it economies of scale was common to all Groups. Clearly the larger the organisation, the greater the economies of scale and the more economic resilience and choice an organisation has. Moreover, evidence suggests that it is both a Federal and State Government preference to fund organizations of a size where there is more security of outcomes and cost variations can be absorbed by the organisation. Nonetheless, the larger the organisation the greater the risk of losing touch with the community that the organisation serves. Dexter from Group 1 was well aware of the problem. However, his solution at this stage was more sentiment than reality.

‘This year we’ve turned over probably $55 million and we’ve employed over 1200 staff. What a big, complex organisation. And I think we get disconnected. It would be quite easy for me sitting at the top looking down to say, “OK, we’re going to have lines of business, we are going to do this and I can drive excellence. I can do a whole lot of things much more simply.” But, I think it’s the wrong answer. I think we need to be intimate with the communities and be part of communities. And, so the challenge for us as we grow and get stronger in particular areas is to do it in a way that embraces local communities. No, it’s easy to say, but it’s hard to do. That’s the issue …

We are in an industry that’s going to go through a lot of consolidation over the next decade. The overheads of being in this line of work and doing it well, I think, will almost preclude small players from participating, which is sad. So, I think
larger organisations in a sense need to stay community focused and it would be really nice if there’s a way that a collection of large organisations could support smaller organisations to keep going and provide quality services.’

Dexter, CEO, Access for All (Group 1, extra large, single focus)

Thomas from Group 2 recognised the same problem of disconnection with size. He differed from Dexter in that he saw the benefits of size in relation to profile; the larger the organisation the better the profile and the greater the clout in terms of attracting support and creating social change. His thinking in terms of maintaining a local connection while operating a large organisation was also more developed.

‘Another tension is trying to get the balance between small, locally connected organisations and a large organisation which gets the critical mass of corporate sponsorship and public support for social change. To my way of thinking, the successful not-for-profit organisation in Australia will be a large corporate that is locally connected. We’ve got to have strong enough policies and procedures so that people can act without connecting to the centre point. But there are clear decision points where they do need to connect. So there are huge efficiencies in a big corporate, but that doesn’t have to mean bad local service.’

Thomas, CEO, Focus (Group 2, extra large, single focus)

The comments on the tension between economic and social justice values suggest that there is a point at which one values set must take precedence over the other in a decision; a point of incommensurability. It is the blunt end of the spectrum; the opposite end to the values blend that Stewart referred to as ‘a lot of fun’. Both Robert in Group 1 and Thomas in Group 2 describe this point of incommensurability. However their emphasis and bias differs.

‘At Enterprise I never closed a service, because there were no other services for these people. No person with an intellectual disability lost a bed, lost their job or lost the day centre place in the five years I was there… Once you start cutting you get into a spiral and in fact that’s what happened to it after I left. So some big
business people came in and looked at our books and said we should just get out
of this. I said hang on, that’s what we’re here for and we actually have to come up
with another solution. It’s not that easy … I believe that what they do is make us
much more business focused … by saying, “Oh gosh, we shouldn’t be doing this,”
and then we slash the very services that we should be doing just because they
aren’t paying their way. What we are actually doing is reinventing the service
model to become a market model. And I come back to quality of service, that
quality of relationship, that relationship revenue that’s produced. That’s what I
think is really under threat … The ability to find sustainable circumstances is the
challenge. We’ve got, you know, like a hundred different types of services and if
we actually remove any single one of them for economic reasons we are
diminishing what we are here for. So how do we construct a service framework
that allows us that necessary diversity and is sustainable … That’s going to be an
ongoing challenge …’

Thomas, CEO, Focus (Group 2, extra large, single focus)

‘You sometimes get people saying: “No, no, no, no – I’m here for the clients.”
It’s a classic response which is suggesting that; “Well don’t talk to me about the
budget or anything else. I don’t do money. I look after the clients.” To which I
say, firstly no-one has the moral high ground and secondly if you care about the
purpose of the organisation then you should care deeply about the resources of
the organisation. We don’t have endless money and governments don’t have
endless money, so we need to be very clear about what we are achieving with the
resources that are available. We have to be prepared to self examine on that and
be quite rigorous about that because otherwise we are ducking what the mission
and the purpose of the organisation really is …

Bob Carr (past Premier of NSW) gave a speech at a conference and said: “Look,
the community sector has always been whingeing about, more money for mental
health, more money for children in crisis, more money for this and for this. And
nobody ever says and in order to do that, we agree that you should stop funding
us over here.” And he said: “Everybody wants to stand next to a politician when they make an announcement about a new funding stream, but you never want to stand next to us when we say you know what, we’re closing down this service or this part over here because we think those funds can be used more efficiently and address issues over here.”

Robert, CEO, Compassion (Group 1, extra large, multiple focuses)

Both Thomas and Robert recognise the finite nature of resources and the economic imperatives. They also recognise the social justice purpose of the organisation and the competing needs in the community. Robert’s position is primarily driven by economic values and requires a rigorous appraisal and a hard decision. Thomas’ position is primarily driven by social justice values and requires a creative solution to the framework of service provision. Many of the interviewees in Groups 2 and 3 suggested that values incommensurability in decisions was not uncommon. Furthermore, as in the case of Support Care and the Job Network, each decision needs to be addressed on its merits in order to make the best decision possible in the circumstances and at the time.

7.2.5 Tension between government social justice policies and neo-liberal economic policies

Regardless of the commitment to social justice embodied in government legislation and policies outlined in Chapter 2, the overriding experience with and views of government policy and practice were negative. This was because of the domination of neo-liberal economic policy embedded in the service purchasing practices and agreements. However, whilst the attitudes were negative, dealing with the tension varied between the groups. Dexter from Group 1, CEO of Access for All, was the least concerned. He acknowledged the challenges but his response reflected a ‘here and now’ view for his organisation. It is a fundamentally individualistic perspective rather than a collective perspective. Furthermore, it does not take account of the impact on the sector over time: ‘the incremental creep on social justice and on the erosion of rights’ as Mark from AFCO put it. In that respect, Dexter’s view could be considered as somewhat simplistic.
‘There are now a whole lot of contextual challenges … changes in the Howard government, all those types of things. To my mind they’re not fundamental challenges – they’re just – you’ve got to be flexible and move with the times.’

Dexter, CEO, Access for All (Group 1, extra large, single focus)

By contrast, Fredericka from Group 3 and the Chair of People First had a strong collective focus. Her comments reflect the organisation’s struggle to work within the human rights principles and also the constraints of current funding practices. Moreover she was all too aware of the damaging effects of competition policy on the potential for cohesion within the sector.

‘A lot of work that we do is dictated by the Disability Service Standards, and how we respond to the service standards… But with the corporate economic rationalist human services kind of stuff, they are forgetting about consultation, forgetting about people. We need to constantly keep reminding ourselves why we are here and who we are here for. But also we need to look at ways of working together but not being competitive. Like the government might have put us into that competitive kind of realm or mind set through competitive tendering and all that kind of stuff right, but we have so much in common, we should have a shared vision and we need to look at how we can do this better, not compete with each other.’

Fredericka, Chair, People First (Group 3, medium, single focus)

Allison from Group 2 and Chair of AFCO had a collective focus and expressed the same tension but with obvious contempt and cynicism.

‘Oh well I always tell people that the first thing they need is the tolerance of ambiguity actually, because … there’s many a line in this business, you know, speak in forked tongue, … DOCS will talk about values, partnerships, respect, collaboration that sort of thing, and be a complete bastard at the same time…
What you’ve got is a system which is trying to control you through a purchasing model…’

Allison, Chair, AFCO (Group 2, medium, single focus)

Control exerted through the purchasing model was only one aspect of Allison’s concern in relation to government policy. She was also concerned about government motivation and rather than a true commitment to social justice, she was of the view that it is politics that determines emphasis and strategy.

‘I’d say that the biggest problem that we’ve got in New South Wales is that we don’t have any genuine political commitment to children. I mean we’ve got the Office of Children and Young People and Gillian [Gillian Calvert, Commissioner] does her best, …but none if it coheres and we don’t have anyone who actually cares very much about children ... it’s all politically driven rather than driven by any coherent plan ... the child protection system drives everything else, instead of a concern for children. So early intervention exists because it will prevent notifications of child protection, rather than it exists because children have a right to decent services. And young people we’re not interested in because they’re too hard. So I think that’s the biggest challenge really. One page, one tent, one vision.’

Allison, Chair, AFCO (Group 2, medium, single focus)

In terms of actual government initiatives there was considerable concern expressed about Welfare to Work and Job Network as well as the industrial relations ‘Work Choices’ legislation. These social policy initiatives were seen as eroding social justice for the vulnerable members of the community. Paul from Group 2, the CEO of Support Care, summed up the common view.

‘We thought the conditions were being overly harsh. That a number of government policies like Welfare to Work, Work Choices legislation were catching people who were in a precarious situation. We are working in that area with people who can’t get work, where people lose negotiating power in terms of
rates of pay, in terms of conditions, and it was made more difficult. It was tightening up. So for some people forced to take part-time and casual work might actually get less than they were getting on a benefit and it is just the emergence of a class of working poor. So we had some real philosophical issues with that … For the people we’re representing which are the more vulnerable in the community, it will have a disproportionately harsh impact on them and we thought that the financial case management really took us over the line… We’re also raising awareness about the impact of Work Choices. Again it’s the vulnerable in the community that’s going to be squeezed by this. If there was some taxation reform … it might lessen the impact. But often people on pensions … earn less, and are worse off.’

Paul, CEO, Support Care (Group 2, extra large, multiple focuses)

Another government trend that caused considerable alarm among members of Groups 2 and 3 was the de-funding of advocacy programs. The attempt to silence advocacy through controlling funds was seen as a real threat to the independent voice of the sector. As Allison observed: ‘What the government wants is compliant people’. Winifred from Group 3 saw the threat to organisations in the sector.

‘I think most non-government organisations are struggling with funding – and financial viability – and particularly the ones that have got a smell of advocacy. I mean the Howard government in particular has de-funded a whole range of non-government organisations on the basis that they might criticise them and you know it’s as blanket as that. I’m involved as a volunteer for an organisation, Australians for Native Title and Reconciliation, – and they receive no funding because, of course, they talk about Aboriginal land rights. They talk about apologising and recognising the past. Whereas John Howard’s view is “You shouldn’t have a black armband for your history.”

Winifred, Chair, Capacity Builders (Group 3, medium, single focus)

Paul saw the issue in terms of the threat to democracy.
‘I was speaking to an MP last week and she was saying there were a couple of things going through about not funding advocacy programs in the disability area because they were applying pressure to government and actually getting some results. And I think that’s a real shame and it should be resisted, because it’s like us having our independent voice silenced. And advocacy may be irritating to government but the community needs to know what’s not going to work and what’s needed. And the silencing of advocacy not only takes the voice from the sector and the individuals in need but it is a real threat to democracy.’

Paul, CEO, Support Care (Group 2, extra large, multiple focuses)

Mark from Group 2 viewed his concerns about the impact of government policies and funding through a collective lens. He saw that irrespective of the damage of the policies and initiatives, the dependence that the sector has on government funding led to organisations accepting the conditions in order to continue to be funded and this in turn limited organised opposition in the sector.

‘You are the organisation that sees, at first hand, the debilitation from government policies and what welfare reforms do, what ‘Work Choices’ is going to do. What is time-limiting benefits going to do to people? What homelessness is associated with breaching with Centrelink? And all of that, you just have to stop and we have to get focused. But organisations fall over themselves to get the government dollar to deliver the programs to pick up the pieces.’

Mark, CEO, AFCO (Group 2, medium, single focus)

Doug from Group 3, where organisations had unsuccessfully appointed the previous CEO from a commercial background in order to deal with the changing funding context, reflected People First’s concern about their survival.

‘Just surviving in the current climate of government funding, we don’t know what will happen next. You know in terms of sustainability, will the government give us enough money?’

Doug, CEO, People First (Group 3, medium, single focus)
By contrast, Don from Group 1 and Chair of Sustenance, was in no doubt about the reliability of government funding. Coming from a commercial background, he was not interested in placing his organisation in a vulnerable and uncertain position.

‘I have done very little to encourage donations to Sustenance from government for one very clear reason. I don’t trust governments. Even if a Federal Government or a state gives X number of dollars for five years, a change of government and you could lose it. Change of minister, you could lose it. Policies change. And if you get funding on a regular basis, there is nothing to say you can budget around it in the long term because, as often or not, there will come a time when you will not get it. So I did not want Sustenance to be reliant on government support. Some help, yes.’

Don, Chair, Sustenance (Group 1, small, single focus)

At one level, Sustenance has the luxury of choice because it is small with only one and a half paid positions. Additionally, it has achieved covering its capital and operating costs through volunteers and significant donations both in kind and financial. For a much larger organisation such as Support Care this is not an option. Moreover, Paul the CEO and a member of Group 2, believes in the responsibility of government to care for the vulnerable in the community. Consequently he had some fundamental ethical objections to the reliance on donations to meet basic needs.

‘The problem I have is where governments are shifting their responsibility. Someone mentioned something to me about dependence on DOCS and they were saying that DOCS would take into account if you were able to get support or funding from other sources. We’ve got to be careful they are not trying to take into account fundraising as meeting basic needs. Like if they said the basic service is going to be funded on the basis that you bring in $100,000 in funding for it, I think that is a real issue. It’s really scary, that sort of thing.’

Paul, CEO, Support Care (Group 2, extra large, multiple focuses)
7.2.6 Competition for government funds and donor dollars in the sector

Between all the groups there was universal recognition of the increasing competition for government funds and donor dollars. The pressure to raise money simply for organisational sustainability was a common experience. Doug, CEO of People First and a member of Group 3, gave a picture of the competition. It reflects the concern that members of Group 3 had about managing in the new neo-liberal context that led to previously appointing a CEO from a for-profit background with experience in competition.

‘There’s something like 14,000 registered charities in Australia or New South Wales. That’s a lot of organisations competing for a sprinkling of donations and government funds.’

Doug, CEO, People First (Group 3, medium, single focus)

Thomas, from Group 2 and the CEO of Focus, expressed concern about the effects of the competition on the once collaborative culture of the sector. This comment is also typical of Group 2 where the wider issues for the sector were always of paramount concern.

‘We’ve got to raise a lot of money – we still have to raise a percentage of our income and that’s an ongoing challenge and it is becoming increasingly hard as there is more and more competition for the fundraising dollar, to the point where that’s actually stopping cooperation in not-for-profit organisations.’

Thomas, CEO, Focus (Group 2, extra large, single focus)

Group 1 members were not concerned about competition; it was a very familiar operating environment for all of them. In fact, as Robert, CEO from Compassion, said ‘We live in a competitive environment, which is a good thing. I mean we compete for government funding, we compete for donors.’ Stewart, the Chair of Compassion, described rising to the competition challenge in a way typical of the for-profit sector and absolutely counter to any spirit of collaboration.
‘In corporate speak, if it’s a competition type thing, you will need to be ahead of the game because others will actually copy you and they will actually come out with the new version and if you aren’t very careful, they’ll overtake you and then your competitive advantage disappears and what you’ve got to do then is to do the new one, sort yourself out and go on to the next thing.’

Stewart, Chair, Compassion (Group 1, extra large, multiple focuses)

The competition policies of governments introduced new, for-profit players into the traditionally nonprofit community services. The comments of Allison and Mark from AFCO encapsulate the deep-seated ethical concerns that many of the members of Groups 2 and 3 shared.

‘Well I think it’s unethical; fundamentally unethical. I mean look at early childhood services – there’s a classic example. I mean in what way can you possibly justify making profits out of the needs of young children? … I don’t think the government should be part of it, for the for-profit sector to do that. I just don’t think they should. And it’s got nothing to do with quality … I mean, there is nothing to say that the private sector can’t provide good services, it’s just that they are putting money towards profit to shareholders. Why would you do that? Why would you want to do that? And I think the other issue is social capital … you won’t get that from the for-profits. And you won’t get the most vulnerable people being included in the services because they’ll dump them because they’re too expensive. So for me, it’s an ethical issue and an issue of social capital. It’s not actually an issue of one believing they can do better than the other because I think that is all crap.’

Allison, Chair, AFCO (Group 2, medium, single focus)

Mark’s comments relate to out-of-home care and prisons.

‘You never privatise things that have a statutory basis for intervention in people’s lives or that can incarcerate people. Those two jobs should never be privatised …you can’t privatise prisons because, by definition, you can’t have human misery
as being your fodder for actual growth, and there is no incentive there to have rehabilitation or anything of that nature.’

Mark, CEO, AFCO (Group 2, medium, single focus)

One of the problems experienced with the tender process, the vehicle for the competition for government funding, was its inconsistencies and the difficulties in predicting possible outcomes. Dexter described Access for All’s unexpected experience in a number of tender processes.

‘That was where the government went out to tender for community participation. It won us the two primary services for school leavers with a disability. But quite a number of current providers missed out, because it was a paper-based commercial tendering process that paid no account to how good you were, only to how good a tender you could write, which is kind of sad. Access got a bit caught up by that too; we lost a couple of services and won others. But, we’ve got the strength to react and say OK, well we need to employ tender writers now and do it differently. …There are some good people in government but by the time it translates through the organisation into a process, sometimes the wheels fall off.’

Dexter, CEO, Access for All (Group 1, extra large, single focus)

Dexter was able to see the problem at a systemic government level. Nonetheless his solution to buy in the expertise in tender writing was typically individualistic. Furthermore, it is a solution only available to larger organisations where economies of scale allow for such positions to be created.

7.2.7 Government requirements

The increasingly competitive environment was one tension experienced by all three groups. The other tension was the increasing regulatory and reporting requirements that accompanied government funding. Matthew, CEO of Woodlands Attainment from Group 2, described the pressure the organisation experiences in meeting the reporting
requirements and the detrimental effect that has on its ability to operate strategically within and for the sector.

‘With all the compliance that’s required you quite often find there are people just surviving fulfilling the requirements. We, as a not-for-profit agency and non-government, are trying to be an alternative to the system, you know, provide an alternate. I suppose we’re trying to show initiative and get out and do it the way we think it should be done and not just maintain the status quo or just meet the minimal standard. So you know it’s a bit of a full frontal trying to do that as a service trying to help the industry to move forward. You can’t just allow yourself to be focused on things like getting the risk assessment right and you can’t just superimpose a government template or standard and forget about the special initiatives you want for the people you support.’

Matthew, CEO, Woodlands Attainment (Group 2, large, single focus)

Paul from Support Care was also concerned about the impact that the reporting and monitoring requirements were having on the sector’s capacity to act independently. Moreover, he was particularly concerned about the changes the requirements brought about in the role of government and its relationship with services.

‘But because of the mounting control that is coming in, in terms of policing rather than enabling and the whole issue of a business model there are tensions … I think the government on a federal level is exerting more control on how services are delivered and I see a potential for them to get too involved in micro-management. And I think as a sector we need to discourage that.’

Paul, CEO, Support Care (Group 2, extra large, multiple focuses)

Typical of Group 2, his view was collective both in terms of the problem and the response.
7.2.8 Summary

In summary, government neo-liberal economic imperatives were exerting pressure on all organisations. Even organisations like Sustenance that resisted government funding because of its unreliability, experience the pressure of increased dependence on the competitive donor dollar. The pressure clearly elevated the focus on economic performance and, in turn, economic values. The differences between the organisations’ responses mirrored the differences between the three groups.

Organisations in Group 1 took individualistic positions and rose to the challenge in different ways, ranging from buying-in tender writers to mobilising alternative resources so that no recurrent government funding was required. Nonetheless, and irrespective of the solution adopted, their responses reflected their experience in and orientation towards the competitive context of the for-profit, commercial sector.

Group 2 organisations viewed the neo-liberal economic imperatives and consequent tension not just from the organisational point of view but from the point of view of the sector and more importantly, the community as a whole. Their comments were political in nature and reflected social justice values in their assessment of the economic imperatives.

Organisations in Group 3 reflected a collective and individualistic perspective. They were concerned about the government’s diminishing focus on the core purpose of community services and the silencing of the sector’s independent voice. Nonetheless, their primary concern was economic and, specifically, it was the survival of their own organisation in this current context.

The responses in each group reflect the strategy taken in the recruitment and appointment of their CEOs and the priority given to the different values sets in that process.
7.2.9 Career paths

There have been numerous references to the various CEOs’ backgrounds; however taken as a whole there is a picture, if somewhat incomplete, of the career paths of CEOs in the sector. Moreover, together, they imply certain career strategies.

7.2.9.1 Genesis of nonprofit careers

Robert and Dexter’s career moves from for-profit business to the nonprofit sector have already been touched on. Essentially it was a recent move prompted by a desire for more fulfilling work at a point in their careers when the attractions of the for-profit world were diminishing. The careers of the other CEOs who have substantial work histories in the sector have a range of beginnings.

Mary, CEO of Capacity Builders, has a career that illustrates the move from cause-based voluntary effort to a career in the sector.

‘I was a public servant before I had family. And then when you have family [laughs] you change and your involvements change. You get involved and caught up in things that you didn’t realise were even there, once you’ve had children. So I got involved in developing services … like when I had three children under three … I enrolled in university … it was in country Victoria. And in order to go to the campus with three children under three, I had to get involved in establishing the childcare service. So then it started – lobbying, and I got very involved and I thought – somebody’s got to do this, you know – it doesn’t happen unless somebody does the work, knocks on the door … I started volunteering at the Neighbourhood Centre and lobbying Council and getting no-where. So I ran for Council and got elected on the basis that there was a lack of community services and a lack of support for community services in the town… I was a councillor for 8 years and that’s sort of how it happened. Then when my kids were old enough I moved into paid work in the sector.’

Mary, CEO, Capacity Builders (Group 3, medium, single focus)
Thomas the CEO of Focus had a strategic approach within the sector, starting his career in a helping profession in a government department. Since that time he has been CEO of the largest community service in South Australia followed by the largest in Queensland, after which he became CEO of Focus – one of the largest community service organisations in the country, currently operating across three states.

‘I used to work with young offenders … I have one of these portfolio careers, so I’m a psychologist. But I started life as a counsellor with young offenders at Turana. It was a youth training centre run by the Department of Community Services in Victoria. And then my wife got a job in South Australia so I decided I would stay with her – so I went and worked there as a private practitioner. Then I was invited by Michael White onto his teaching staff at the Family Therapy Institute … so that was a very creative time and I was really thrilled to be on the teaching staff. So I did that for a little while – but it was too much of a contrast – to go from young offenders to families whose children were coming to me for not doing their homework – and I couldn’t make the adjustment. I loved the teaching – but couldn’t make the adjustment to the cases I was on. I’m really more interested in systems theory and working for social change …

People suggested that I apply for the job as the director of SACOSS (South Australian Council of Social Services) and I said “What’s that?” So I did and I got it – so I suddenly went on a crash course of learning about economics, politics, media and I was having a ball because I was applying this systems theory to this social change policy perspective. And that really taught me that I could be heard. But I really wanted to influence government policies, and I realized that I could do that far more effectively if I was running a big organisation … because I’m coming from the basis of actually delivering a service to real people with real experience – rather than from a pinko, left hypothetical thing. And when I was farewelled from it a couple of politicians spoke to me and congratulated me and blah blah blah and said “We really want to talk to you” because I was now going to run Anglican Community Services which was the biggest community service organisation in South Australia. And I would now have access to real issues. And
I said “But I had that from SACOSS” and they said “Oh no, no, no, that’s the small business council – but now you’re a big business. We are very interested in those big businesses.” And that the subtext I heard was that “We’re more interested in big businesses than small business”…well they actually did use the word “small business council”. So since then I really have gone on a journey looking for organisations that have a critical mass that I think can make the difference.’

Thomas, CEO, Focus (Group 2, extra large, single focus)

Desmond was the only CEO who had worked exclusively in the nonprofit sector. In fact Desmond started his career with Christian Fellowship and worked his way up the organisation to his current position as CEO of Christian Fellowship Sydney. Whilst it appears a focused linear career path it didn’t start that way.

‘I did a Bachelor of Applied Science degree and I’m actually from Richmond – down south in Melbourne – got a job in regional Victoria with Christian Fellowship – didn’t really know much about the organisation in 1987 and thought “Oh well I’ll try this job out for a while and see what it’s like”, and I’ve really stayed with the organisation all the way through … The Victorian Christian Fellowship is the largest Christian Fellowship in Australia. So we had a lot of leadership responsibilities. So I was doing a fair bit of internal consulting for Brisbane, Adelaide, Perth, Kalgoorlie … I’ve since done a Graduate Diploma in Business Administration … I saw a career, but in some ways the career grew as I was lucky enough to ride the wave of Christian Fellowship’s growth … When I first started our State Office in Victoria, it only had 2 staff – the secretary and the CEO. When I left … there would have been a professional staff in there of over 25. So, while there was a career, the careers in the organisation have grown. In many ways I’ve been lucky. We have a phrase at Fellowship – “casual, connected, committed,” … and I think I’m a good example…when I first started at Fellowship I was a casual – it was a job. I saw myself moving on in a couple of years. The more I got to know about Fellowship as an organisation, its world work, its youth developments (its) focus on different programs … the more I
probably got to really fall into the not-for-profit (sector). So I am certainly committed to the organisation, but I am also committed to the not-for-profit sector and what I think is unique about the not-for-profit sector.’

Desmond, CEO, Fellowship (Group 3, large, multiple focuses)

Mary, Thomas and Desmond’s careers are primarily about the nonprofit sector and community services. Whilst Desmond’s path is quite linear within the one organisation, he admits an element of serendipity, perhaps happenstance (Cornforth & Hooker, 1990; Weaver & Herman, 1991), being in the right place at the right time. Mary and Thomas’s spiral careers are far more the norm according to Carl, CEO of Minds Alive.

‘I would say within not-for-profits … you know within organisations there is minimum career path. I think you have to go outside the organisation – which isn’t a bad thing.’

Carl, CEO, Minds Alive (Group 1, small, single focus)

So, crossing the boundaries between organisations is common, as is crossing the boundaries between sectors. Both Mary and Thomas started their working lives in the public sector and made the move to the nonprofit sector early in their careers. This was not the case for Rhiannon and Paul whose decisions to move between sectors represent two very different career approaches.

7.2.9.2 Cross-sectoral boundaries
Whilst Rhiannon and Paul have very different career histories, what they do share is the view that their breadth of work experience was beneficial and went in their favour in the selection process for their current CEO positions. Rhiannon’s story illustrates this well because she believed her appointment was a compromise.

‘I’ve done Federal Government roles; Deputy Censor for a while on the Film Classification Board. State Government roles, National Parks and Wildlife Service for example. Local roles – I was one of the management teams that made Liverpool City Council accountable … So I’ve done a bit of government and I
hate it. It’s frustrating, slow on decisions and political imperatives – I hate it, but you know it gives you good skills...

I’ve done the private sector, for example with Business Development Management Australia which amongst other things owns Boxy Car Rentals. But the non-government sector is my real passion. I was at Greenpeace for years during a period of enormous change for the organisation … it was probably one of my greatest professional successes. An organisation with wonderful, talented, intelligent, passion driven people…it was pretty full on but the point is – that was a role in which I learned a lot more probably than anywhere else….

Sustenance couldn’t quite find what they wanted and in fact I’m not really what they wanted, I mean it was a compromise. But my background said a lot about my capacity to learn … so Don bless his heart took a chance on me and um, I’m very grateful for it – I mean it’s a wonderful privilege to have this role and it’s been wonderful to learn and grow and work with a Board of that quality.’

Rhiannon, CEO, Sustenance (Group 1, small, single focus)

Rhiannon gave little or no emphasis to a deliberate career path. While expressing a preference for the nonprofit sector, her focus was more on the skills gained through the opportunities. It appears a mix of Driver’s (1996) spiral and transitory careers. Paul the CEO of Support Care commenced his career in the nonprofit sector, moved to government and then back to the nonprofit sector. His choices reflect a more conventional and deliberate spiral career path in community services.

‘I’m a trained psychologist and social worker. I’ve worked in the State government for many years in NSW … I’ve worked in community services and housing … So I’ve had a good range and experience of social type areas … earlier on I started at the Aboriginal Legal Service. Robert Tickner was senior solicitor. Lyle Munro was a junior there and a few of the other guys. I still see them around. I’ve worked in rural locations too … in Armidale for a while. I went to Queensland, Brisbane. I worked with the Uniting Church there, mainly in
health care, emergency support and aged care. I felt that in terms of making a
difference, leaving the super behind was probably worth it for me in terms of job
satisfaction. And that’s not to say that I wasn’t able to contribute in the public
sector, but I just wanted a sense of adventure, a sense of trying something else. I
took leave without pay from the public sector so I could dip my toe in the water
and I could go back if I wanted to, but I never did … This position with Support
Care brought me back to Sydney and it’s with the Catholic Church … I’m
Catholic. It’s a bigger organisation, more services.’

Paul, CEO, Support Care (Group 2, extra large, multiple focuses)

7.2.9.3 Qualifications
All the CEOs but Carl had undergraduate qualifications. Eight of the CEOs had
qualifications that suited a nonprofit industry. These ranged from social work,
psychology and education to law and health science. With the exception of Robert and
Rhiannon, all the other CEOs, including Carl had completed postgraduate studies in
business administration or management. Whilst little emphasis was placed on
qualifications in the recruitment advertisements analysed in Chapter 6, all the CEOs had a
least one relevant qualification, be it in industry or management and administration.

7.2.9.4 CEO motivation
The nature of the interviews with the Chairs and the newly appointed CEOs was such that
it probably predisposed the CEOs to emphasise their commitment to the purpose of the
organisation when reflecting on their motivation. As Rhiannon said, ‘The pre-requisite is
to “get it”; to have a reason for being there.’ Nonetheless, there were other motivations
identified. Paul was motivated by the prospect of adventure. Thomas’s comments referred
to the influence he gained heading up a large organisation, the subtext of which is power.
Rhiannon, Doug, Mark, Desmond and Dexter all talked in terms of the challenges in the
work that were motivating. Carl liked the scope and diversity of the work and the sector.

‘I think it’s the diversity within a not-for-profit – I don’t think any other industry
gives you so much leeway… If you look at this whole governance and
management relationship with the Board, you know where you stand, you know
where they stand. So it gives you a lot of room to move, to do things. You just need
to think a little bit laterally about how to do things.’

Carl, CEO, Minds Alive (Group 1, small, single focus)

In short the motivators identified by the CEOs are in keeping with the findings of Harrow
and Mole’s (2005) nonprofit career typology (paid philanthropist, careerist, non-aligned).
Moreover, whilst there were sentiments expressed about passion for the work, in terms of
Harrow and Mole’s career typology, all the CEOs, with the exception of Dexter were
careerists, making a conscious decision to pursue a career in the sector. Even though
Dexter has a child with a disability, his path to the CEO position at Access for All
suggests a non-aligned career.

‘I came in as both a lawyer and an IT person, and basically IT was a lot more
fun… I did an MBA … I went to Compac … But Compac and Hewlett Packard
merged, so I then stayed on at the merged entity for a year or so… I got a bit tired
of that whole bureaucracy; sought to escape it by going to an Australian IT
service … I was managing director of ZAP Technology Services … and, blow me
down, after a few months – Telstra came and bought ZAP, which completely
destroyed my ambition to move away from bureaucracy. It was just so bloody-
minded and bureaucratic it was awful. Anyway, I stayed on there for a while but
then I left. Decided I wasn’t going to do another big corporate job, so, did a bit of
consulting, which was kind of fun. Then, my wife saw this ad and I’d been looking
at not-for-profits, but not that seriously because when I’d looked earlier I’d been
told “Look if you’re not from a not-for-profit background, then you’re not going
to get a senior role in a not-for-profit.” So, anyway I responded to the ad … and
in this case the Board here had explicitly decided that they did want someone with
a broader business leadership background.’

Dexter, CEO, Access for All (Group 1, extra large, single focus)

7.2.9.5 Summary
The career stories of the 11 CEOs suggest that a boundaryless career path is the most
common way to the top, and by definition it will be spiral. This confirms the original
findings of Onyx and MacLean (1996) and later Harrow and Mole (2005). What is more, even with the limited group of 11 CEOs their experiences further reflect Harrow and Mole’s (2005) findings. Mary commenced working in the sector through volunteering and prior to taking on the CEO role she was on the Board of the organisation. Nine out of the 11 CEOs were actively job seeking at the time they applied for their current position. Finally, in Desmond’s description of his career path he made a point of emphasising the luck involved in being in the right place at the right time with an organisation on the rise.
7.3 Conclusion

The 11 organisations reflect the various types of nonprofit community services described in Chapter 2. Moreover, the issues they grappled with in the appointment of a new CEO were similar and reflected the larger sectoral agenda. Some organisations recognised this and located themselves and their efforts in a wider whole. Others chose a more individualistic outlook. The dichotomy that emerged was not so much between the ‘backward looking’ organisations with a welfare and welfare state culture and ‘forward thinking’ organisations with a ‘social entrepreneurial’ or business orientation and modus operandi. The dichotomy was more between the collective view of the organisation as part of a greater whole and the individualistic view of the organisation as a separate independent entity operating in a particular and competitive context. This is in keeping with the findings of Bergman (1998) and Morrow, Bartlett and Silaghi (2007) that the competition of the neo-liberal ‘quasi market’ is having a negative impact on the long standing cooperative practices that existed between community services.

There was other evidence of the impact of and pressure from neo-liberal government policies that showed organisations working through the issues in the CEO recruitment. The contextual framework (see Chapter 3, Figure 3.1) for viewing the impact of value pluralism on the HR policies reflected the process that all the organisations engaged in with varying results. The most revealing of this was probably the recruitment strategy of Group 3. This was the group that previously appointed a CEO with a for-profit business background specifically to address the organisation’s economic challenges but found the match unsuccessful and followed it with a safe internal appointment. The crux of the mismatch was an attempt to achieve terminal social justice values through instrumental economic values in the form of a business orientated CEO. What became clear was that both the economic and social justice values of the organisation need to be in the same conversations, need to be considered in relation to each other and need to be understood at the decision making levels. What is more, the failure of the strategy suggests that whilst instrumental and terminal values differ there still needs to be some basic congruence between them.
The tension between the economic and social justice pressures on the organisations was clearly evident, as were the different approaches to managing it. Accepting Sunder’s (2003) definition of ‘organisational values’ as values that exist whether they are formally articulated as such or not, the underlying economic values of the different groups were also clearly evident. Moreover, the potential incommensurability had been realised and addressed by a couple of the organisations. This revealed an interesting interpretation of terminal values. The CEOs and Chairs in Groups 2 and 3 were clear that their terminal values were social justice. However, some of the Chairs and CEOs in Group 1 saw the organisation in business terms and successful economic performance was the terminal value, with the justification that without it the social justice values could not be achieved. The pluralistic value context was not identified. No organisation had clarified and espoused its economic values; nor were the organisational approaches to the economic pressures seen in values terms. This is even in the face of clear economic value judgments being enacted in decisions and underpinning established practices. What is more, the need for critical reflective judgment or some form of practical wisdom to navigate effectively a value plural environment was not singled out as a desirable requirement in a CEO.

There were strong and mixed views expressed about the Howard Coalition government and about government departments and funding. In general, particularly among the Chairs and CEOs in Groups 2 and 3 there was an overriding sense that the social justice agendas were being eroded by economic priorities. Moreover, any humanitarian and rights discourse from government was discounted in the face of the business discourse of imposed contractualist funding models. As Allison put it, governments ‘talk about values, partnerships, respect, collaboration … (and then what) you’ve got is a system which is trying to control you through a purchasing model.’

The predominant discourse used in reference to the economic operations of the organisations was business and commercial. What is more, many of the Chairs and CEOs in Group 1 used it to describe the priority given to economics over services in the organisations’ operating strategy. This supports the findings of Morrow, Bartlett and
Silaghi (2007), who noted the adoption of business language by the sector, and Cruikshank (1997) who identified its use in rationalising and explaining policy. The discourse used in reference to the organisations’ services was one of rights and social justice, the same discourse used in government rights legislation. It was not one of welfare and charity. It carried the hard edge of responsibility that a just and civilised society has to all its members.

Trice and Beyer (1993) emphasised the importance of powerful individuals in transmitting and maintaining the values of the organisation. Powerful individuals transmitting their organisation’s values were evident in all groups. There was no question about the commitment to the organisation’s social justice values although often it was not expressed in values terms. Those who did use values terminology were educated in human service vocations such as social work and psychology. Others referred to ‘passion’ and ‘heart’ when describing their commitment. By the same token, economic values were also clearly evident and equally effectively transmitted. The problem was that they were not identified as values. In Group 1 they were often framed as imperatives and thus given greater gravity and emphasis. It would appear that the significance of the role of the CEO in transmitting and maintaining organisational values was recognised by all three groups. However, for Groups 2 and 3 it was the social justice organisational values in the forefront of their minds and for the majority of Group 1 it was the economic values.

The appointment of a CEO is a significant event in an organisation. It sends explicit and implicit messages about the organisation’s values and priorities. How these messages are received and interpreted is central to the final box in the Contextual Framework for considering the impact of value pluralism on the HR policies. This box refers to the implications of those policies. In particular, it identifies implications on organisational strategy and development, sector identity and careers. In order to get some sense of this, the next study in this piece of research was a questionnaire asking committed workers about economic and social justice tensions, management recruitment and organisational values. It is discussed in the next Chapter.
Chapter 8: The views of committed workers

‘You have to surround yourself with people you trust, and people that are good. 
But they also have to be people who will tell the emperor – you have no clothes.’

Oprah Winfrey (b. 1954), US talk show host and actress

8.1 Introduction

The Contextual Framework for considering the impact of value pluralism on the HR policies in nonprofit community service organisations was outlined in Chapter 3. It starts with the original purpose/mission and values that led to the establishment of nonprofit community service organisations in the first place. These are the same motivation and values that led to enacting social justice and human rights legislation at the government level. They are society’s compassion; its caring for its vulnerable members and its sense of responsibility for the health and welfare of all.

In implementation, at the government level, neo-liberal values and economic policies determine funding strategies. In practice these strategies are contractualist funding agreements which are reached through competitive tendering in ‘quasi market’ processes. At the community service organisational level, the economic pressures experienced as a consequence of the neo-liberal funding environment need to be managed with the original and core social justice mission and values. The interviews analysed in Chapter 7 gave an insight into the tensions and pressures that organisations were experiencing and the predominantly critical view of government policy and practices. Moreover, in the
majority of the cases the tension was paramount in determining the CEO recruitment strategy and process.

The final part of the Contextual Framework is the implications of the management recruitment strategies on the way organisations manage the tension between economic and social justice pressures in their operational decisions. It is also about the implications for the sector’s identity as value-based and separate from government and for-profit business. Finally it is about the implications for the people who choose to work in community services – workers who with experience, opportunity and support will develop the skills, knowledge and practical wisdom required for leadership in the sector. It is about their careers.

Finding out the views of committed, career managers and employees on the current context in terms of values tensions and recruitment practices was an important component of this research. The original design for the interviews included drilling down within the participating organisations and interviewing middle managers below the CEO. The aim was to obtain information directly from aspiring, career minded staff members for whom organisational values and careers are relevant and important. As keen stakeholders within the organisation, their observations of the factors influencing the recruitment and selection processes would provide valuable insight into organisational priorities and career assets. Unfortunately, all the initial organisations that were approached with the request to interview the middle managers refused. There were numerous reasons given ranging from availability and time to potentially undermining the CEO appointment. The absolute nature of the refusals did not entertain any discussion about alternative times or modified approaches. This suggested that it was quite a sensitive issue and that the organisations were somewhat defensive. Consequently this strategy was abandoned.

The questionnaire was developed as an alternative strategy. In developing the questionnaire and considering the sample, it became apparent that it did present some advantages. It was an opportunity to obtain the view of committed workers from all
organisational levels, not just middle management, and the demographic information would be from a larger sample than the interviews of managers would have provided.
8.2 Method

Commitment in terms of committed, career-minded workers was determined by their voluntary involvement in learning activities specific to the sector and community services. The rationale for this was that voluntary participation in conferences, short courses and formal accredited studies represented a desire to increase knowledge and skills and to ensure best possible professional practice. There were two assumptions made about this selective sampling. The first was that committed workers would have informed views about their work, their organisations and the sector. The second assumption was that this form of sampling would eliminate, as much as possible, the participation of workers passing through the sector as a temporary means of income.

Over a two year period, questionnaires were distributed to interested students in the Masters of Management (Community) course at the University of Technology Sydney (UTS), short courses conducted by the Centre for Community Welfare Training and relevant seminars and conferences at UTS and the New South Wales Council for Social Services (NCOSS). After eliminating 38 questionnaires that were incomplete or had more than one response identified for a question, there were 212 questionnaires used in the analysis.

The questionnaires were completed anonymously. All questions were multiple choice. The first eight items related to demographic information such as age, gender, current position, organisational size and sector employment experience. The choice of answers varied according to the question. The remaining 29 questions required a response on a four point Likert scale. A four point scale was specifically chosen in order to require respondents to make a choice between the positive and the negative in their views. Some respondents wrote 2.5 on individual items. These responses (2% of the total responses) were eliminated.
The items in the questionnaire covered the following five content areas:

- demographic data
- career motivators
- the presence of organisational values in the workplace
- the tensions between the social service mission and purpose and the economic viability and practices in nonprofit organisations
- priorities in management appointments in nonprofit organisations.

The questions were designed to uncover common or differing views on priorities and practices. They tapped into views on the pressures on services and the consequent demands made of managers, as a result of neoliberal government policies.

The analysis included:

- descriptive statistics to identify the frequency distributions for each question and to cross tabulate questions
- factor analysis to explore the underlying structure of groups of questions
- analysis of variances to explore differences in responses to questions based on the demographic information of gender, age, position, organisational size and length of employment
- cluster analysis to group respondents into meaningful clusters.
8.3 Demographics

The demographic data reflects a sample that is representative of community services in terms of age and gender with the majority of the respondents over 40 years old and female. Most of the respondents were working in management positions, which was to be expected given the sampling technique of participation in educative activities. The majority of respondents worked in organisations that had a staff of 20 or more employees. Nonetheless, a significant number (44.8%) of small organisations were represented, with a staff of 19 or less. In terms of movement between positions and possible career paths, most of the respondents had been in their current positions for 5 years or less. Moreover, there was substantial movement between sectors, with only 29.7% of respondents beginning their careers in the nonprofit sector. The reasons for accepting the current position reflect a strong commitment to the work and values of the organisation. Whilst less than half (46%) the respondents were promoted into their current positions, 85% accepted their positions because they offered new challenges, thus increasing the repertoire of skills, knowledge and career opportunities. Finally, only 16% of respondents were motivated by a salary increase in their choice of position.

There was a disproportionate gender balance in the sample with 72.6% female and 27.4% male. This is in keeping with the statistics for community services (Australian Bureau of Statistics, 2006) which place the female participation rate at 75.1% and the male participation rate at 24.9%.
Table 8.1: Percentage of respondents by age groups

Table 8.1 shows that 60% of the respondents are over 40 years in age. This reflects an older workforce which is in keeping with the ABS figures that place the medium age for community service employees at 45 years (Australian Bureau of Statistics, 2006).

<table>
<thead>
<tr>
<th>Age</th>
<th>% of 212 respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>20–29</td>
<td>14</td>
</tr>
<tr>
<td>30–39</td>
<td>26</td>
</tr>
<tr>
<td>40–49</td>
<td>38</td>
</tr>
<tr>
<td>50+</td>
<td>22</td>
</tr>
</tbody>
</table>

Table 8.2: Percentage of respondents at different position levels

Table 8.2 is a breakdown of respondents by current position in their primary nonprofit place of work. The ‘primary’ distinction is made because many employees work for more than one employer both in a paid and voluntary capacity. The table is top heavy in terms of management, with 68% of respondents in management positions and 45% in the
divisional manager and senior executive categories. The most likely explanation is that it reflects the level at which individuals make a commitment to the sector.

Staff size was used as an indicator of organisational size because of the human services nature of community services; that is, the number of staff is an indication of the capacity of the organisation to provide services. Whilst 56% of organisations have more than 20 employees and 33% have a staff of over 100, by category, the greatest number of organisations are small with staff numbering less than 20 (44%). This is in spite of the pressure from funding bodies for improved economies of scale.

Given the age of the respondents in the survey, there is considerable movement between jobs, with 73% of respondents in their positions for 5 years or less. Moreover with 68% of respondents in management positions and 45% in the divisional manager and senior executive categories, it is reasonable to assume that there are career paths, of sorts, operating.

<table>
<thead>
<tr>
<th>Experience</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nonprofit</td>
</tr>
<tr>
<td>% of 212 respondents</td>
<td></td>
</tr>
<tr>
<td>Previous</td>
<td>79</td>
</tr>
<tr>
<td>Most</td>
<td>62</td>
</tr>
<tr>
<td>Career beginning</td>
<td>27</td>
</tr>
</tbody>
</table>

Table 8.3: Experience in the different sectors

Table 8.3 shows that cross sector experience is common. The majority of respondents had most of their work experience in the nonprofit sector. However, more respondents began their careers in the for-profit sector than in the government sector, with only 27% of
respondents beginning their careers in the nonprofit sector. Whilst this data does not show at what point respondents entered the nonprofit sector, i.e. at a management level or a field officer level, it does suggest that the boundaries between the sectors are not hard and fast and that movement between them is a regular occurrence.

<table>
<thead>
<tr>
<th>Scale response</th>
<th>Committed to orgs’ work %</th>
<th>Values alignment with org. %</th>
<th>Challenge %</th>
<th>Promotion %</th>
<th>Salary increase %</th>
<th>Suits personal circumstances %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 (not at all)</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>30</td>
<td>67</td>
<td>9</td>
</tr>
<tr>
<td>2.0</td>
<td>21</td>
<td>5</td>
<td>10</td>
<td>24</td>
<td>17</td>
<td>9</td>
</tr>
<tr>
<td>3.0</td>
<td>29</td>
<td>41</td>
<td>34</td>
<td>25</td>
<td>9</td>
<td>38</td>
</tr>
<tr>
<td>4.0 (absolutely)</td>
<td>63</td>
<td>50</td>
<td>51</td>
<td>21</td>
<td>7</td>
<td>44</td>
</tr>
</tbody>
</table>

% of 212 respondents

Table 8.4: Reasons for taking current position

Respondents’ reasons for accepting their current appointment reflect both a strong commitment to the work of their organisation and a strong alignment with the organisational values, with 92% and 91% positive responses respectively. A total of 82% of respondents identified that the current position suits their personal circumstances. The interpretation of this item would include congruence with their socio-political orientation. The current appointment presented 85% of the respondents with new challenges in terms of knowledge and skill development. However, it was a promotion for only 46% of respondents. Nonetheless, the opportunity to increase skills and knowledge is a career asset, if not strictly a vertical career move. Only 16% of respondents accepted their current position because of an increase in salary. This does not mean that 84% of respondents did not receive a salary increase. They may have. However it was not one of their reasons for taking the position.
8.4 Question by question response distributions

The following seven tables show the distribution of responses in percentages for the items from 15 to 37. Items 15–24 and item 26 posed statements that reflected the tensions between the social service mission and purpose and the economic viability and practices of organisations. Items 25, 27 and 28 explored respondents’ views on priorities in management appointments and items 29–37 asked about the presence of organisational values in respondents’ workplaces.

<table>
<thead>
<tr>
<th>Item</th>
<th>Importance for nonprofit managers</th>
<th>Strongly disagree %</th>
<th>Disagree %</th>
<th>Agree %</th>
<th>Strongly agree %</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.</td>
<td>Management experience in government departments is more valuable than management experience in successful for-profit businesses.</td>
<td>18</td>
<td>55</td>
<td>20</td>
<td>7</td>
</tr>
</tbody>
</table>

% of 212 respondents

Table 8.5: Preference for government experience over for-profit business experience

The responses for item 15 do not reflect a preference for government department experience over for-profit business experience, with 73% of respondents disagreeing with the statement: management experience in government departments is more valuable than management experience in successful for-profit businesses.
<table>
<thead>
<tr>
<th>Item</th>
<th>Strongly disagree %</th>
<th>Disagree %</th>
<th>Agree %</th>
<th>Strongly agree %</th>
</tr>
</thead>
<tbody>
<tr>
<td>16. Management experience in successful for-profit businesses is more valuable than management experience in nonprofit organisations.</td>
<td>16</td>
<td>55</td>
<td>22</td>
<td>7</td>
</tr>
<tr>
<td>18. Networks &amp; contacts in government &amp; business are more important than a strong personal alignment with the organisation’s values.</td>
<td>11</td>
<td>61</td>
<td>24</td>
<td>4</td>
</tr>
<tr>
<td>19. An extensive career that includes management positions in government and/or for-profit business is more useful than an extensive career in management in the nonprofit sector.</td>
<td>9</td>
<td>60</td>
<td>27</td>
<td>4</td>
</tr>
<tr>
<td>21. Experience in the successful financial management of a for-profit business is more useful than experience in operating a service that enacts the organisational values.</td>
<td>7</td>
<td>62</td>
<td>29</td>
<td>2</td>
</tr>
</tbody>
</table>

% of 212 respondents

Table 8.6: Preference for government experience and/or for-profit business experience over nonprofit experience

The items in Table 8.6 indicate preference for some aspect of either government or for-profit business experience over some aspect of nonprofit experience. The majority of respondents disagreed with the statements which suggests a preference for nonprofit experience in their managers. Moreover, item 18, with the highest percentage for disagreement, suggests that respondents placed importance on managers’ personal alignment with organisational values.
Table 8.7: Preference for nonprofit experience over government and/or for-profit business experience

The items in Table 8.7 reverse the preferences posed in the statements in Table 8.6. These items state a preference for some aspect of nonprofit experience over either government or for-profit business experience. The majority of respondents agreed with the statements. Nonetheless, the percentages were less than those of Table 8.6.
<table>
<thead>
<tr>
<th>Item</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance for nonprofit managers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25. You are more likely to achieve a senior executive appointment in</td>
<td>1</td>
<td>35</td>
<td>51</td>
<td>13</td>
</tr>
<tr>
<td>a nonprofit sector if you have a breadth of experience that includes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>government and/or business than a breadth of experience exclusively</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in the nonprofit sector.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27. On balance, senior management appointments in the nonprofit</td>
<td>5</td>
<td>42</td>
<td>51</td>
<td>2</td>
</tr>
<tr>
<td>sector reflect that the sector values nonprofit experience above</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>experience in for-profit business and government.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

% of 212 respondents

**Table 8.8: Preferences in senior management appointments in the nonprofit sector**

Items 25 and 27 are similar but reversed questions – is there a preference for experience in government and/or for-profit business over extensive nonprofit experience reflected in the appointments of nonprofit managers? Item 25 poses the statement in the positive and the majority of respondents agreed with a combined percentage of 64%. The statement in item 27 rephrases the theme and suggests that management appointments in the sector reflect that the sector values nonprofit experience over experience in government and or for-profit business. A smaller majority of respondents agreed with a combined percentage of 53%. The responses are somewhat inconsistent and reflect ambivalence evident in both the recruitment advertisements and Group 3 in the interviews.
<table>
<thead>
<tr>
<th>Item</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>22. A manager attuned to the external agendas of government is more useful than a manager attuned to the organisational values.</td>
<td>7</td>
<td>63</td>
<td>28</td>
<td>2</td>
</tr>
<tr>
<td>23. In evaluating an organisation’s position it is more important for a manager to assess achievements against the organisation’s mission and values than measure outcomes against funding agreement requirements.</td>
<td>0</td>
<td>21</td>
<td>54</td>
<td>25</td>
</tr>
<tr>
<td>24. It is more important for a manager to focus on the organisation’s relationship with government funders than its relationship with its members and service users.</td>
<td>20</td>
<td>65</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>26. It is more important to understand the motivation of donors and volunteers than the motivation behind government policies.</td>
<td>1</td>
<td>50</td>
<td>42</td>
<td>7</td>
</tr>
</tbody>
</table>

% of 212 respondents

Table 8.9: Priorities between government funders and the organisation’s mission, values, members, service users, volunteers and donors

All the items in Table 8.9 required respondents to prioritise either the organisation’s focus on government funders or its focus on its mission, values, members, service users or volunteers and donors. Items 22 and 24 prioritised the focus on government. In each of these questions the majority of respondents disagreed with prioritising a focus on
government. For item 24, which prioritised relationships with government over service users, the combined percentage of respondents that disagreed was 85%. It was less for item 22, which prioritised a focus on government agendas over organisational values, with 70% of respondents disagreeing.

Item 23 prioritised a focus on the organisation’s mission and values over the outcomes of funding agreement requirements. A total of 79% of respondents agreed with the statement. The responses to these three statements suggest that there is a strong alignment with the aspects of the nonprofit organisations that constitute their independence and raison d’être. By contrast, the responses to item 26, which prioritises an understanding of the motivation of donors and volunteers over the motivation behind government policies, reflect quite mixed views. A total of 51% of respondents disagreed with the statement and 49% agreed. The role of donors and volunteers varies enormously from organisation to organisation. For example, many employment services for people with disabilities would not have any volunteers or donors; consequently it would be far more important to focus on the motivation behind government policies that affect them on an ongoing basis.
<table>
<thead>
<tr>
<th>Item</th>
<th>Importance for nonprofit managers</th>
<th>Strongly disagree %</th>
<th>Disagree %</th>
<th>Agree %</th>
<th>Strongly agree %</th>
</tr>
</thead>
<tbody>
<tr>
<td>29. You are aware of your organisational values.</td>
<td></td>
<td>1</td>
<td>8</td>
<td>33</td>
<td>58</td>
</tr>
</tbody>
</table>

Which organisational activities are guided by the organisation’s values?

| 30. Public documentation about the organisation. | | 1 | 12 | 42 | 45 |
| 31. Planning and policy. | | 3 | 12 | 37 | 48 |
| 32. Practice and decision making at all levels. | | 4 | 18 | 48 | 30 |
| 33. Staff appointments. | | 6 | 19 | 45 | 30 |

Where are the organisational values enacted most frequently?

| 34. At the Board/management committee level. | | 2 | 22 | 48 | 28 |
| 35. At the senior executive level. | | 1 | 20 | 46 | 33 |
| 36. At the team leader level. | | 5 | 13 | 49 | 33 |
| 37. At the grassroots field officer level. | | 8 | 15 | 41 | 36 |

% of 212 respondents

**Table 8.10: Organisational values: their presence and enactment**

All of the items in Table 8.10 ask respondents about their organisation’s values, their presence in different organisational activities and their enactment at different management levels. For each of these items, over 70% agreed (including ‘strongly...
agree’), which indicated that these respondents considered the values to be present in all the activities identified and enacted at all levels of management. The first item, 29, asks if respondents are aware of their organisation’s values and the combined percentage for agreement was 91%. This suggests that the responses were well informed and unlikely to be guesses. The lowest percentage of respondents agreeing was for item 32 which referred to decision making at all levels and the figure was 70%. Given that decision making happens in many contexts, with many different pressures and constraints, this is an understandable result.

<table>
<thead>
<tr>
<th>Item</th>
<th>Importance for nonprofit managers</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>28.</td>
<td>All things being equal, when a manager with a background in government and/or business is appointed in a nonprofit organisation over a manager with a background in the nonprofit sector, I resent it.</td>
<td>6</td>
<td>44</td>
<td>45</td>
<td>5</td>
</tr>
</tbody>
</table>

% of 212 respondents

Table 8.11: Attitude to management appointments in the nonprofit sector

Item 28 was designed to explore the personal feelings of committed, career workers in the sector, to the importing of managers from government and business. It is the question that goes to the heart of the issue of career opportunity; the valuing or devaluing of nonprofit experience and knowledge and unfailing loyalty or consequent disaffection in the face of such importing.

The descriptive data reflects an even distribution between those who resent these appointments and those who do not. This was a surprising result. Intuitively, a strong response in agreement with the statement was expected. The assumption was that all
things being equal, a committed and experienced applicant from the sector should have an advantage. Moreover, if they were not appointed, then that was blatant evidence of the sector devaluing its own skills, knowledge and experience.

At the descriptive level, one possible explanation from anecdotal evidence suggests there are ‘career’ nonprofit workers who consider every external appointment in the sector a bonus because one more person is lured from the ‘dark’ side to the ‘light’. This would suggest a particularly altruistic response to the question. A better understanding of the responses is gained when analysing it in relation to the responses to other questions through a cluster analysis.
8.5 Underlying structure: factor analysis

Factor analyses were conducted to explore the underlying structure of the data. Separate analyses were undertaken for the following questions.

- **Career motivation questions**
  Did you apply for your current position because?
  9. It was a significant salary increase.
  10. It suited your personal circumstances.
  11. You are committed to the work the organisation does.
  12. You considered the organisation’s values aligned with your own.
  13. It was a promotion that would further your career.
  14. You were challenged by the new knowledge and skills that you would develop.

- **Organisational values questions**
  29. You are aware of your organisation's values.
  30. Organisational values guide public documentation about the organisation.
  31. Organisational values guide planning and policy.
  32. Organisational values guide practice and decision-making at all levels.
  33. Organisational values guide staff appointments.
  34. Organisational values are most frequently enacted at the Board/management committee level.
  35. Organisational values are most frequently enacted at the senior executive level.
  36. Organisational values are most frequently enacted at the team leader level.
  37. Organisational values are most frequently enacted at the grassroots field officer level.

- **Organisational management questions.**
  15. Management experience in government departments is more valuable than management experience in successful for-profit businesses.
  16. Management experience in successful for-profit businesses is more valuable than management experience in nonprofit organisations.
17. Nonprofit management experience is more valuable than management experience in government departments.

18. Networks and contacts in government and business are more important than a strong personal alignment with the organisations’ values.

19. An extensive career that includes management positions in government and/or for-profit businesses is more useful than an extensive career in management in the nonprofit sector.

20. Experience with diverse resource mobilisation in the nonprofit sector is more valuable than experience with financial management in a successful for-profit business.

21. Experience in the successful financial management of a for-profit business is more useful than experience in operating a service that enacts the organisational values.

22. A manager attuned to the external agendas of government is more useful than a manager attuned to the organisation’s values.

23. In evaluating an organisation’s position it is more important for a manager to assess achievements against the organisation’s mission and values than measure outcomes against funding agreement requirements.

24. It is more important for a manager to focus on the organisation’s relationship with government funders than its relationship with its members and service users.

25. You are more likely to achieve a senior executive appointment in the nonprofit sector if you have a breadth of experience that includes government and/or business than a breadth of experience exclusively in the nonprofit sector.

26. It is more important to understand the motivation of donors and volunteers than the motivations behind government policies.

27. On balance the senior management appointments in the nonprofit sector reflect that the sector values nonprofit experience above experience in for-profit business and government.

28. All things being equal, when a manager with a background in government and/or business is appointed in a nonprofit organisation over a manager with a background in the nonprofit sector, I resent it.
The purpose of the analysis was to identify structure in the relationships between variables (questions) so as to be able to reduce the number of variables to less than the number of questions. Put simply, which questions can be grouped together? And when the questions are grouped together what is the underlying factor? And what is its meaning?

The statistical analysis was done using Statistica (statistics software package). The factor solution was rotated using varimax normalised which simplifies factors by minimising variance. In the following tables, the **bold italicised** figures represent the strong loadings on variables that combined form a factor.

### 8.5.1 Career motivators

The factor analysis on the career motivator questions 9–14 resulted in two factors:
- A1 Personal career development
- A2 Values congruence.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor A1</th>
<th>Factor A2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did you apply for your current position because…?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q9. It was a significant salary increase.</td>
<td>0.782</td>
<td></td>
</tr>
<tr>
<td>Q13. It was a promotion that would further your career.</td>
<td>0.839</td>
<td>0.054</td>
</tr>
<tr>
<td>Q14. You were challenged by the new knowledge and skills that you would develop.</td>
<td>0.688</td>
<td>-0.339</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor A2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did you apply for your current position because…?</td>
<td></td>
</tr>
<tr>
<td>Q10. It suited your personal circumstances.</td>
<td>0.165</td>
</tr>
<tr>
<td>Q11. You are committed to the work the organisation does.</td>
<td>-0.039</td>
</tr>
<tr>
<td>Q12. You considered the organisation’s values aligned with your own.</td>
<td>-0.144</td>
</tr>
</tbody>
</table>

**Table 8.12: Career motivator factors**
High scores in **Factor A1** imply motivation by promotion, salary increase and the challenge of new skills and knowledge. High scores in **Factor A2** imply valuing the importance of congruence with values at work – motivation by values alignment, a commitment to the organisation’s work and the match between work and personal circumstances.

### 8.5.2 Organisational values

The factor analysis on questions 29–37 explored organisational values both in terms of the activities they guide and the levels of the organisation at which they are most frequently enacted. The three factors that resulted were:

- **B1** Knowledge of organisational values and their role
- **B2** Values enacted at senior executive level and above
- **B3** Values enacted at interface with service users.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor B1 Knowledge of organisational values &amp; their role</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Q29 You are aware of your organisation’s values.</td>
<td>0.594</td>
<td>-0.061</td>
</tr>
<tr>
<td>Q30 Organisational values guide public documentation about the organisation.</td>
<td>0.722</td>
<td>-0.199</td>
</tr>
<tr>
<td>Q31 Organisational values guide planning and policy.</td>
<td>0.761</td>
<td>0.364</td>
</tr>
<tr>
<td>Q32 Organisational values guide practice and decision-making at all levels.</td>
<td>0.787</td>
<td>0.313</td>
</tr>
<tr>
<td>Q33 Organisational values guide staff appointments.</td>
<td>0.645</td>
<td>0.407</td>
</tr>
<tr>
<td>Variable</td>
<td>Factor B2</td>
<td>Factor B3</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>-------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td><strong>Q34</strong> Organisational values are most frequently enacted at the Board/management committee level.</td>
<td><strong>Q34</strong> Organisational values are most frequently enacted at the Board/management committee level.</td>
<td><strong>Q34</strong> Organisational values are most frequently enacted at the Board/management committee level.</td>
</tr>
<tr>
<td></td>
<td>0.165</td>
<td>0.797</td>
</tr>
<tr>
<td><strong>Q35</strong> Organisational values are most frequently enacted at the senior executive level.</td>
<td><strong>Q35</strong> Organisational values are most frequently enacted at the senior executive level.</td>
<td><strong>Q35</strong> Organisational values are most frequently enacted at the senior executive level.</td>
</tr>
<tr>
<td></td>
<td>0.105</td>
<td>0.845</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor B3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q36</strong> Organisational values are most frequently enacted at the team leader level.</td>
<td><strong>Q36</strong> Organisational values are most frequently enacted at the team leader level.</td>
</tr>
<tr>
<td></td>
<td>0.180</td>
</tr>
<tr>
<td><strong>Q37</strong> Organisational values are most frequently enacted at the grassroots field officer level.</td>
<td><strong>Q37</strong> Organisational values are most frequently enacted at the grassroots field officer level.</td>
</tr>
<tr>
<td></td>
<td>0.121</td>
</tr>
</tbody>
</table>

Table 8.13: Knowledge of organisational values and their role
**Factor B 1** is about the knowledge of organisational values and their role. It follows that an awareness of organisational values would enhance the likelihood of seeing them influencing practice in the organisation.

**Factor B2** appears to be the view that values enactment predominantly occurs at senior executive level and above.

By contrast **Factor B3** appears to be the view that values enactment predominantly occurs at the interface with service users. Team leaders and field officers are ‘coal face’ positions. It is at these levels that the organisation interfaces with the service user. Direction and policy are *enacted* here rather than determined; however the way in which that is done can be influenced by the individual worker and the organisational values.

### 8.5.3 Organisational management

The third factor analysis was done on questions 15–28. These questions addressed the tensions between the social service mission and the economic viability and the priorities in management appointments in third sector organisations. The following statement was the introduction to the items in this second factor analysis.

The importance of management and financial expertise in managers in the nonprofit sector is indisputable and a given. However, in this current climate and taking into account trends and future possibilities, how would you rate the following statements in relation to their importance for nonprofit managers?

The factor analysis resulted in four factors:

- **C1 Management approach**
- **C2 Nonprofit skills and knowledge**
- **C3 Mixed priorities**
- **C4 Importance of nonprofit experience in senior managers**.

Table 8.14 which follows looks at each of these factors in relation to organisational management.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor C1 Managerialist approach</th>
<th>0.631</th>
<th>0.071</th>
<th>0.044</th>
<th>-0.330</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q15 Management experience in government departments is more valuable than mgmt experience in successful for-profit businesses.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q16 Management experience in successful for-profit businesses is more valuable than mgmt experience in nonprofit organisations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q18 Networks and contacts in government and business are more important than a strong personal alignment with the org.’s values.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q19 An extensive career that includes management positions in government and/or for-profit businesses is more useful than an extensive career in mgmt in the nonprofit sector.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q22 A manager attuned to the external agendas of government is more useful than a manager attuned to the organisation’s values.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

-276-
<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor C2 Nonprofit skills &amp; knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q17</strong>  Nonprofit management experience is more valuable than management experience in government departments.</td>
<td>0.032</td>
</tr>
<tr>
<td><strong>Q20</strong>  Experience with diverse resource mobilisation in the nonprofit sector is more valuable than experience with financial management in a successful for-profit business</td>
<td>0.101</td>
</tr>
<tr>
<td><strong>Q26</strong>  It is more important to understand the motivation of donors and volunteers than the motivations behind government policies.</td>
<td>-0.022</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor C3 Mixed priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q21</strong>  Experience in the successful financial management of a for-profit business is more useful than experience in operating a service that enacts the organisational values.</td>
<td>0.251</td>
</tr>
<tr>
<td>Question</td>
<td>Statement</td>
</tr>
<tr>
<td>----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Q23</td>
<td>In evaluating an organisation’s position it is more important for a manager to assess achievements against the organisation’s mission and values than measure outcomes against funding agreement requirements.</td>
</tr>
<tr>
<td>Q24</td>
<td>It is more important for a manager to focus on the organisation’s relationship with government funders than its relationship with its members and service users.</td>
</tr>
<tr>
<td>Q25</td>
<td>You are more likely to achieve a senior executive appointment in the nonprofit sector if you have a breadth of experience that includes government and/or business than a breadth of experience exclusively in the nonprofit sector.</td>
</tr>
</tbody>
</table>
Table 8.14: Approaches to organisational management

Factor C1 is about a managerialist approach to nonprofit management and reflects an emphasis on the economic imperatives in the tension with the social justice/welfare imperatives. This factor, in part, reflects the views of Group 1 in the interviews where the selection panel Chairs sought ‘a for-profit business manager with a heart’. Where this theme differs slightly from Group 1 in the interviews is that the respondents in this group
largely did not discriminate between government and business in their responses. Across the columns, the lower and negative scores reflect the importance of a specific nonprofit focus. Higher scores were identifying with neo-liberal policies and New Public Management.

**Factor C2** is about the importance of specific nonprofit skills and knowledge in management. It is the counterpoint to Factor B1 and reflects an emphasis on the organisation’s core business, the social justice welfare imperatives in the tension with economic imperatives. This factor reflects the views of Group 2 in the interviews where the selection panel Chairs emphasised the importance of service provision and understanding the nature of that provision.

**Factor C3** is a mix of priorities. Item 21 reflects a preference for financial management experience in for-profit business and item 24 reflects the priority given to the organisation’s relationship with government funders. However, item 23 is clearly at odds with items 21 and 24 as it reflects the importance of measuring performance against the organisation’s mission and values in preference to the requirements of funding agreements. There are the two opposing forces of neo-liberalism and social justice operating in this factor. Ultimately, item 25 indicates the dominant force with agreement given to the statement that ‘you are more likely to achieve a senior executive appointment in the nonprofit sector if you have a breadth of experience that includes government and/or business than a breadth of experience exclusively in the nonprofit sector.’ This factor reflects the initial views of the interview participants in Group 3 who appointed a CEO from outside the sector and then found that they were unable to deliver against the organisation’s mission and values.

**Factor C4** is about the sector valuing its own experience and that this is evident in the management appointments. This in turn suggests that there is a clear career path to management positions within the sector. It also states that, when all things are equal, the importing of managers from the government or for-profit business sectors into management positions in nonprofit organisations is resented. Presumably, the resentment is based on the devaluing of nonprofit experience that such an appointment suggests.
Intuitively this makes sense. However, given the percentage of respondents that disagreed with item 28 it behoves further analysis.
8.6 Difference between respondents: analysis of variance

Analysis of variance was used to see if there were differences between the demographic variables (gender, age, position, organisational size and length of service) for each of the factors.

For each factor the relevant questions were added together and an average score calculated. The advantage of this approach to developing a factor score is its transparency in interpretation. This approach was also supported because for most questions, the questions loaded primarily on one factor (rather than being split across several factors). A one way analysis of variance was undertaken for each of the demographic variables and all nine factors.

Table 8.15 highlights where there were significant differences. Given there are 45 items (9 factors times 5 variables) one would expect by chance to have 2 items significant at the .05 level. All other cells indicate non-significant relationships.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Demographic variable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Age</td>
</tr>
<tr>
<td>A – Career motivator</td>
<td></td>
</tr>
<tr>
<td>A1 Personal career development</td>
<td>x (.03)</td>
</tr>
<tr>
<td>A2 Values congruence</td>
<td>NS</td>
</tr>
<tr>
<td>Factors</td>
<td>Demographic variable</td>
</tr>
<tr>
<td>---------</td>
<td>----------------------</td>
</tr>
<tr>
<td></td>
<td>Age</td>
</tr>
<tr>
<td>B – Knowledge of organisational values and their role</td>
<td>x (.0002)</td>
</tr>
<tr>
<td>B1 Knowledge of organisational values &amp; their role</td>
<td>NS</td>
</tr>
<tr>
<td>B2 Values enacted at senior executive level &amp; above</td>
<td>NS</td>
</tr>
<tr>
<td>B3 Values enacted at interface with service users</td>
<td>NS</td>
</tr>
<tr>
<td>C – Approaches to organisational management</td>
<td>NS</td>
</tr>
<tr>
<td>C1 Managerialist approach</td>
<td>NS</td>
</tr>
<tr>
<td>C2 Nonprofit skills &amp; knowledge</td>
<td>NS</td>
</tr>
<tr>
<td>C3 Mixed priorities</td>
<td>NS</td>
</tr>
<tr>
<td>C4 Importance of nonprofit experience in senior managers</td>
<td>x (.003)</td>
</tr>
</tbody>
</table>

NS – no significant difference

**Table 8.15: Significant differences between demographic variables and the nine factors**

Table 8.14 shows that there were 13 items that were significant at the .05 level or more. The range of significance varied from .05 to .0002. Age had three significant factors as
did gender and position level. Organisational size had two significant factors as did length of service. The following tables explore each demographic variable with the nine factors.

Table 8.15 shows the average factor score (based on averaging the relevant questions) for each age group with a significant $p$ value from the analysis of variance.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Age (years)</th>
<th>$p$</th>
<th>20–29</th>
<th>30–39</th>
<th>40–49</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td></td>
<td>0.032</td>
<td>2.6</td>
<td>2.6</td>
<td>2.3</td>
<td>2.2</td>
</tr>
<tr>
<td>B1</td>
<td></td>
<td>0.0002</td>
<td>3.1</td>
<td>3.1</td>
<td>3.2</td>
<td>3.5</td>
</tr>
<tr>
<td>C4</td>
<td></td>
<td>0.003</td>
<td>2.3</td>
<td>2.3</td>
<td>2.6</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Table 8.16: Average factor score for each age group with a significant $p$ value

Age and factor A1, career development as the career motivator, had a significant score. It suggests that respondents under 39 were more motivated by career development. Intuitively this makes sense as younger workers have more of their career ahead of them. The second significant score is for the factor knowledge of organisational values and their role. Table 8.16 indicates that the older a worker the more likely they are to have a knowledge of organisational values and their role. Increased life and work experience could contribute to an appreciation of the importance of values. Moreover, on balance, with age and experience workers may have more choice around employment and values may play an important part in considering a position. Finally the table indicates that respondents who were over 40 years in age considered nonprofit experience in senior managers to be important. Again this probably reflects greater work experience and appreciation of the complexities involved in managing a nonprofit.
Table 8.17 shows the average factor score for gender with a significant $p$ value.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$p$</td>
</tr>
<tr>
<td>B1</td>
<td>0.031</td>
</tr>
<tr>
<td>B3</td>
<td>0.009</td>
</tr>
<tr>
<td>C1</td>
<td>0.047</td>
</tr>
</tbody>
</table>

**Table 8.17: Average factor score for males and females with a significant $p$ value**

Table 8.17 indicates that males tended towards a more managerial approach to organisational management and that females scored higher on knowledge of organisational values and their role. Furthermore females were more likely to see values enacted at the interface with service users.

The following table shows the average factor score for position with a significant $p$ value.
<table>
<thead>
<tr>
<th>Factor</th>
<th>Position</th>
<th>p</th>
<th>Volunteer officer</th>
<th>Team leader</th>
<th>Divisional manager</th>
<th>Senior executive</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td></td>
<td>0.075</td>
<td>2.2</td>
<td>2.2</td>
<td>2.6</td>
<td>2.5</td>
</tr>
<tr>
<td>A2</td>
<td></td>
<td>0.035</td>
<td>3.2</td>
<td>3.5</td>
<td>3.3</td>
<td>3.4</td>
</tr>
<tr>
<td>B1</td>
<td></td>
<td>0.002</td>
<td>3</td>
<td>3</td>
<td>3.2</td>
<td>3.3</td>
</tr>
<tr>
<td>B3</td>
<td></td>
<td>0.015</td>
<td>2.7</td>
<td>3</td>
<td>3.1</td>
<td>3</td>
</tr>
</tbody>
</table>

**Table 8.18: Average factor score for position with a significant p value**

Table 8.18 indicates that the more senior the position, the greater the knowledge of organisational values and their role. Furthermore, values congruence as a career motivator and seeing values enacted at the interface with service users tended to increase with position level. This may reflect the importance that senior management place on the enactment of values at the interface with service users or it may be that the ‘further the distance from the coal face’ the less in touch a manager is with the quality of service delivery. Irrespective, it does suggest that at the senior management levels values are recognised as important.

Table 8.19 shows the average factor score for organisational size with a significant p value.
<table>
<thead>
<tr>
<th>Factor</th>
<th>Organisational size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>p</td>
</tr>
<tr>
<td>A2</td>
<td>0.020</td>
</tr>
<tr>
<td>B3</td>
<td>0.0003</td>
</tr>
</tbody>
</table>

**Table 8.19: Average factor score for organisational size with a significant p value**

Table 8.19 indicates that the larger the organisation the stronger values congruence is as a career motivator. This could be explained by the analysis in Chapter 6 that identified that larger organisations tend to image themselves as values based. Consequently they would be obvious places to work if one were motivated by a desire for values congruence. The other factor of significance was ‘values enacted at the interface with service users’ and that is more likely to occur if the organisation has less than 100 workers. This may reflect optimal organisational size for seeing values enacted. The organisation is large enough for reasonable staff support and small enough for the leadership to be in touch with the coal face. Organisations with a staff of less than 20 were still likely to see values enacted at the service user level but slightly less than organisations with a staff between 20 and 99. This may reflect the inherent pressures that small organisations work under and the consequent risk to quality of service provided at the interface with service users.

Table 8.20 shows the average factor score for length of service with a significant p value.
Table 8.20: Average factor score for length of service with a significant $p$ value.

Table 8.20 indicates that knowledge of organisational values and their role increases with length of service. This makes intuitive sense. It is reasonable to assume that the longer one is with an organisation the more one learns about it. The other significant factor is ‘a managerialist approach to organisational management’. The score is highest for over 10 years’ length of service. It is probable that workers who have been with an organisation for 10 years or more have seen considerable change within that organisation under neo-liberal funding policies. A managerialist approach may reflect a strategy for managing the change and dealing with the pressures. This would be in keeping with the strategy to appoint CEOs with a for-profit background that was evident in some of the interviews.

What is more concerning is that the inverse of this factor suggests that the longer the period of employment with an organisation the more likely it is that nonprofit skills, knowledge and experience are devalued in management. This returns the focus to item 28 which states that ‘all things being equal, when a manager with a background in government and/or business is appointed in a nonprofit organisation over a manager with a background in the nonprofit sector, I resent it’. Further analysis that looks at respondents rather than just responses may reveal more.
8.7 Clusters of respondents: \( k \)-means clustering

\( k \)-means clustering is a method of identifying groups of respondents that are as distinct as possible from one another on a number of dimensions.

The \( k \)-means cluster analysis below offers a way of better understanding the respondents who agreed and disagreed with item 28 (‘all things being equal, when a manager with a background in government and/or business is appointed in a nonprofit organisation over a manager with a background in the nonprofit sector, I resent it’) and how they responded to other items. In order to do this item 28 was converted into a two dimensional response of ‘agree’ and ‘disagree’. It was then combined with the three organisational management factors that corresponded with the interview Groups 1, 2, and 3 as the four dimensions against which groups of respondents were identified.

Four clusters or groups were chosen (as distinct from three, five, or six or more) because this ensured there were both very distinct clusters and large enough numbers in each cluster to do further analysis (e.g. compare the responses of cluster members on other questions). The four clusters were also consistent with other findings in the research.

The analysis was done on Statistica (statistics software package).

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>44</td>
<td>22</td>
</tr>
<tr>
<td>B</td>
<td>50</td>
<td>24</td>
</tr>
<tr>
<td>C</td>
<td>38</td>
<td>19</td>
</tr>
<tr>
<td>D</td>
<td>71</td>
<td>35</td>
</tr>
<tr>
<td>TOTAL</td>
<td>203</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 8.21: Cluster frequencies
Table 8.21 shows the number of respondents in each of the four clusters identified as A, B, C and D. It also shows the percentage of respondents in each cluster. As a whole the clusters are somewhat evenly distributed with just over a third of all respondents in cluster D, the largest cluster, and just under a fifth of all respondents in cluster C, the smallest cluster.

Each cluster’s mean for each factor was calculated and graphed according to its standard deviation and plotted on Figure 8.1 below.

Vertical axis is the cluster mean scores.  
Horizontal axis is the C factors and question 28.  
Q28 importing senior managers – acceptance or resentment  
Fac_C1 Managerialist approach  
Fac_C2 Nonprofit skills & knowledge in management  
Fac_C3 Mix of priorities

**Figure 8.1 Cluster means across the four variables/dimensions**
Respondents in Cluster A resent the importing of managers from business and government. In terms of a managerial approach and a valuing of nonprofit skills and knowledge in management, they agree with their importance but not strongly. However, on the mix of priorities that include for-profit financial management experience, a focus on government funders and measuring achievements against the organisation’s mission and values they strongly disagree. Respondents in Cluster B also resent the importing of managers from business and government. Furthermore, they have a negative position on managerialism and a contrastingly positive position on nonprofit skills and knowledge in management. Their view of mixed priorities is positive. Respondents in Cluster C are in many respects the opposite of Cluster B. These respondents do not resent the importing of managers and this is most likely because they are particularly positive about managerialism. They are also positive about nonprofit skills and knowledge in management but only marginally. Not surprisingly they view the mix of priorities positively. Cluster D is generally negative. Respondents in this cluster are marginally negative about managerialism and mixed priorities and a little more negative about nonprofit skills and knowledge in management. Moreover they do not resent the importing of managers from business and government. Each of the cluster profiles is quite distinct; however to get a better picture of the type of person they may represent, the interviews were examined in the light of the profiles for similarities and insights.

8.7.1 Cluster profiles and individuals

The respondents in Cluster A have some similarities with Group 3 in the interviews. Group 3 Chairs of selection panels were feeling the pressure of the neo-liberal funding and operating context. They were operating with mixed priorities. Initially they sought to address this pressure and their mixed priorities through importing a CEO with corporate business experience and maintaining the organisation’s core values and knowledge through the middle management and field workers. This strategy was singularly unsuccessful and having been burnt after previous negative experiences all the organisations in Group 3 appointed someone from the sector as the next CEO.
Fredericka, Chair of the Board of People First, explains this position, which resonates with Cluster A.

‘Because of the change in management in the organisation and the changing political environment, we were looking more and more at corporate skills, with a strong management background and the ability to fundraise; the ability to be innovative and not reduce the budget … We just said ‘any kind of not-for-profit sector knowledge’. That was a mistake. We appointed a person who had good corporate stuff, but didn’t know a lot about the disability sector … We weren’t totally concerned because we had really good staff and really good managers in the organisation. So we thought that the CEO could get away without that knowledge and those skills to begin with … but on the job … he was talking with a bit of an ‘us and them’ kind of mentality and a bit of the medical model way of looking at things, and that was a major concern. He just didn’t seem to get it or get it quickly enough. He left after six months. It just wasn’t working. We needed to maintain the leadership; we needed someone who could work with the staff … So I guess what we identified after that appointment was that we needed a blend. We needed someone with corporate skills and some knowledge about the sector and knowledge about the social model of disability. So we decided to appoint … Doug because he has a disability, he was working for a disability organisation and he was doing his MBA so he was getting the management and financial skills.’

Fredericka, Chair, People First (Group 3, medium, single)

The respondents in this Cluster B have some similarities with Group 2 in the interviews. The Chairs of the selection panels in this Group placed the major emphasis on service provision and understanding the nature of that provision. Allison, Chair of the Association of Family Care Organisations (AFCO), explained the priorities in her description of the characteristics they were looking for in a CEO.

‘Really the policy development and policy advice and negotiating with government was the crucial role. I mean not that you couldn’t have someone who
has the management skills, but you actually wanted content, we didn’t just want process … So the trouble with using commercial people is they actually don’t understand … what the sector is like.’

Allison, Chair, AFCO (Group 2, medium, single)

Members of Group 2 also appreciated the pressures on the organisation and balancing priorities. In this respect their views are similar to Cluster B’s on the mix of priorities in Factor C3. An example is Sue, Chair of Woodlands Attainment.

‘There are so many influences on the organisation and its systems. There are pressures there all the time, whether it’s through Work Cover or a stakeholder group, advocacy group, who are pressuring the organisation all the time to operate in a certain way. And consultation with stakeholders isn’t about doing what they ask. It’s about bringing that information in and thinking about it and thinking how it could actually benefit what we’re on about and what we’re doing and wanting. You need to be able to assess the pressures of government but still make your own independent decisions as an organisation. So you’ve got to fill out the forms and you must deliver a service in a certain way and you must have group homes and you must have four or five people in them to be viable – but the reality is you’ve got to have a way of thinking about that sort of stuff so that the organisation’s vision doesn’t get lost.’

Sue, Chair, Woodlands Attainment (Group 2, large, single focus)

The respondents in this Cluster C have similarities with Group 1 in the interviews. The Chairs of the selection panels in Group 1 were specifically seeking for-profit business skills and experience. Nonetheless, they were aware of the importance of the organisation’s core purpose and maintaining it. This reflects the high level of agreement in Factor C1 and the lower level of agreement on Factor C2. Ian, Chair of Access for All, illustrates this view in the following comment.
‘If you are only interested in the welfare then you end up going broke. You’ve also got to be hard in terms of business skills and commercial – because if you don’t you won’t have an organisation … If you aim for just the welfare and that, you end up going broke. If you are too hardnosed about return on assets and this sort of thing you can go the other way and forget about the welfare.’

Ian, Chair, Access for All (Group 1, extra large, single focus)

The respondents in Cluster D are the left over group of individuals that did not fit into any of the other three groups. If interpreting them as a cluster, then they appear to be disillusioned about the sector if anything. Their participation in the courses where respondents were sourced demonstrates a personal commitment to their work. However, their disagreement with all the factors that relate to the tension between economic and social justice imperatives, organisational management priorities and management appointments in the sector, reeks of the disenchantment illustrated in the literature. This disenchantment is borne out of the years of stress and pressure the sector has experienced under neo-liberal policies and practices.
8.8 Discussion

As discussed in the methodology, the respondents were selected through their participation in educative activities and this was taken as an indication of their commitment to their careers in the nonprofit sector. Consequently it is not surprising that overall the responses affirmed the importance of nonprofit values, organisational independence and raison d’être. With regard to the specific questions in this study that the questionnaire was designed to address and the implications for career, organisational development and sector identity in the contextual framework, it is possible to make the following conclusions in relation to this sample.

The majority of responses indicated that organisational values were relevant in the choice to work in the nonprofit sector. Nonetheless, the factor analysis of the career motivator questions identified two factors: A1 personal career development and A2 values congruence. Values congruence included items on values alignment, a commitment to the organisation’s work and the match between work and personal circumstances. The career development items were promotion, salary increase and the challenge of new skills and knowledge. Younger respondents tended to score more highly on Factor A2 that included the career development items. As previously mentioned this may relate to their stage in life. Nonetheless, it does suggest that career paths and career opportunities are important in the sector in order to develop and maintain its workforce and knowledge base. These factors support the work of Onyx and McLean (1995) who found that the dominant motivation both for entering the nonprofit sector and for seeking particular jobs within it, related to strong social values, a high premium on personal development, a desire to extend personal skills and to find interesting and challenging work.

The majority of responses indicated that it was important for managers to have a personal alignment with the organisation’s values and to focus on those values in their management. Furthermore, it was considered important for a service to enact the organisation’s values and for managers to evaluate the organisation’s performance against its mission and values. Finally the majority of responses and the factor analysis of
the organisational values questions suggest that not only were the organisation’s values known but they were enacted at all levels of management and present in such major activities as decision making, policy, publications and appointments.

As previously described in the methodology, part of the questionnaire was designed to explore the tension between the social service mission and purpose and the economic viability and practices in third sector organisations. These items were inherently value laden and whilst the majority of responses indicated that the social service mission and purpose was the priority, the factor analysis identified four distinct factors. The first factor reflected a managerialist approach to nonprofit management, with an emphasis on the economic imperatives in the tension with the social justice/welfare imperatives. This factor resonates strongly with Group 1 in the interviews where the selection panel was essentially looking for a CEO from a for-profit business background; ‘a hardnosed business manager with a heart’. The second factor reflected the importance of specific nonprofit skills and knowledge in management. It emphasised the organisation’s core business and the social justice/welfare imperatives in the tension with economic imperatives. This factor resembles Group 2 in the interviews where the selection panel focussed on the importance of the organisation’s service provision and the CEO’s understanding of the nature of that provision.

The third factor reflected a mix of priorities. Preference was given to the economic imperatives in all the items except one that emphasised the importance of measuring performance against the organisation’s mission and values over the requirements of funding agreements. In many respects, the responses in this cluster reflect an unresolved tension between the two opposing forces of neo-liberalism and social justice. It is an unresolved tension that many organisations, dependent upon government funding, experience. It represents a devaluing of the economic and financial management experience that can be gained in the nonprofit sector alone. It reflects the tension in the power relationship with government funders and the insecurity experienced by dependent organisations. A strategy, if not a solution, is sought through the employment of a senior executive with experience in government and for-profit business that will bring contacts and networks and hard-nosed business strategies, while the middle managers and
employees of the organisation take steerage of the activities that enact the organisation’s mission and values. It was the thinking behind the previous CEO appointments made by interview Group 3. It was the mix that was impossible for the organisations to achieve because it does not articulate how the incommensurability between the economic and social justice values is to be addressed if and when it arises. Instead it assumes that the coexistence is not problematic.

This mix of priorities was also evident to a degree in the analysis of variance between the factors and the demographic variables. The analysis suggests that values are recognised as important at senior management levels. However, there was a tendency to favour managerialism by respondents with 10 years or more of service with the one organisation. As previously mentioned, the most likely explanation is that the experience of the pressure of change in that time drives the search for solutions from the same business paradigm in which the economic pressures are framed.

The fourth and final factor centered on senior executive appointments in the nonprofit sector. This factor suggested that, on balance, senior management appointments did reflect a valuing of nonprofit experience. Consequently, all things being equal, when a manager with a background in government and/or business is appointed in a nonprofit organisation over a manager with a background in the nonprofit sector, it is resented.

The $k$-mean cluster analysis unpacked further this key question 28 that asked about the acceptance or resentment of importing managers from other sectors. Three familiar clusters appeared that resembled the interview Groups. Clusters A and B resembled interview Groups 2 and 3 and reflected a common appreciation for nonprofit skills and knowledge in management. Both of these clusters resented the importing of managers from other sectors. Cluster C which resembled interview Group 1 favoured a managerialist approach to organisation management and did not resent the importing of managers from other sectors. Whilst the frequencies between agreement and disagreement in question 28 were similar, the cluster analysis clearly shows that respondents that appreciated nonprofit skills and knowledge as equal to, or more
important than, a managerialist approach resented the importing of managers from other sectors.

The appreciation and valuing of nonprofit skills and knowledge in management suggests that career strategies such as work experience in the sector and sector specific educational activities are building blocks to the senior executive level. However, Factors 1 and 3 and Cluster C suggest that there will be people who will be looking for more than just nonprofit experience in their senior executives; they will be looking for cross-sectoral experience with an emphasis on for-profit business and government skills and knowledge. In terms of career implications, ignoring these preferences in the sector is to pursue a career blinkered. What it does mean is that nonprofit employees need to demonstrate and underscore comparable experience gained through their work in the sector to be competitive in all circumstances.
Chapter 9: Discussion

‘The voyage of discovery is not in looking for new landscapes, but in looking with new eyes.’

- Anonymous -

The overarching and subordinate research questions guided the methodological structure and processes in this study. However the use of Grounded Theory meant that far more than just answers to the questions emerged. It also meant that whilst at the outset all subordinate questions were given equal weight, ultimately some had greater poignancy than others. Consequently, rather than limiting the discussion to the research questions and answers, the discussion is structured around the major themes that emerged. Nonetheless, at the beginning of each theme the relevant research questions are listed to indicate its genesis. This is followed by a discussion of the theoretical model in the light of the research findings. Finally directions for future research are addressed and the contributions to knowledge explored.

9.1 Organisational values currently operating in nonprofit community services

The following are the related subordinate research questions.

- What are the espoused organisational values operating currently in nonprofit community services?
- What other values, espoused, implied and/or enacted, underpin priorities and decision making in organisations including management recruitment?
• How do nonprofit workers perceive organisational values in the work and management of nonprofit organisations?

9.1.1 Social justice and economic values

The three pieces of research in this study demonstrate that there are two sets of values currently operating in nonprofit community services. However only one set is formally espoused and owned by the organisation beyond the individuals that work there at any given time. These are the social justice values. In Chapter 6 some of the commonly espoused social justice values such as equality, justice, compassion, respect, working together, commitment and community inclusion were identified using the recruitment advertisements. Moreover it is evident from the interviews analysed in Chapter 7 and questionnaires analysed in Chapter 8 that these social justice values are enacted by organisations and are important to the employees. This confirms the common view in the literature in Chapter 2 that nonprofit community services are ‘values expressive’ (Jeavons, 1992; James, 1989; Drucker, 1990; Sackman, 1991; Schein, 1991; Hudson, 1999). Furthermore, it supports the findings in the literature described in Chapters 2 and 4 that one of the main reasons that employees choose to work in the sector is because of the values (Brandel, 2001; Brown & Yoshioka, 2003; DeVaro & Brookshire, 2007; James, 1989; Kim & Lee, 2007; McMullen & Schellenberg, 2003; Mirvis & Hackett, 1983; Onyx, 1998; Preston, 1989; Weisbrod, 1983). Or, as Little (2004) put it in her study of voluntary sector leaders, they choose to live the passion. This is addressed in a little more detail later in the chapter.

The other set of values that is evident is the economic values. All organisations and individuals encountered in the research were all too mindful of economic imperatives and the importance of sound financial management and liquidity. However, the interviews in Chapter 7 demonstrated that the economic values expressed and enacted were not imperatives, although often, at the hard edge of decision making, they were interpreted and asserted as such. In these circumstances it gave them a status beyond a value, which
in many cases led to their priority over social justice values in organisational management.

Nonetheless these were economic values because they guided the way of viewing the organisation, the current operating context and decisions with financial implications. They fitted the description of unespoused organisational values in Chapter 3. These are values that may not be formally articulated as such, but are nevertheless real, operational and communicated through what is given importance within the organisation and the frames of reference used for decisions (Conklin, Jones & Safrit, 1992; Hitt, 1988; Sunder, 2003). The economic values that were evident and expressed ranged from adaptations of for-profit business to agents of government to independent nonprofit welfare services.

The analysis of the interviews in Chapter 7 revealed that the lack of espoused economic values in organisations meant that any commonality of economic values that existed within an organisation occurred through ‘like recruiting like’. The lack of an overarching espoused organisational position on economic values meant that there was no process of open debate and values clarification to collectively determine the economic values of an organisation. Moreover, there were no official guides either for the decision makers in their work, or to inform stakeholders of the organisation’s approach, and no guides that would transcend personnel changes. These unacknowledged economic values were, in effect, the silent partners to the social justice values of the organisation – enormously influential but unseen. Moreover, they underpinned priorities and decision making including management recruitment.

### 9.1.2 Values pluralism and incommensurability

The analysis of the recruitment advertisements in Chapter 6 and the interviews in Chapter 7 revealed that there is no recognition of value pluralism operating in the sector and within organisations. The only recognised organisational values are the social justice values. Nonetheless value pluralism is operating. The literature in Chapters 2 and 3 described how the economic approaches taken by government and organisations are value
laden. The conceptual framework for considering the impact of value pluralism and incommensurability illustrated this. It is discussed in detail later in this chapter.

The values base of economic approaches was confirmed and further supported by the analysis of the interviews and the questionnaires in Chapters 7 and 8. However, because the operating context of organisations is not identified as pluralistic in terms of values, incommensurability is not acknowledged and foreshadowed as a probability. Consequently there is no preparation for working through a situation in which the values are incommensurable. Furthermore, when the decision is made, the incommensurability is not transparent and the opportunity for developing organisational knowledge around value pluralism and incommensurability is lost.

Instead there is a perception that the social justice pursuits of a well-run, forward-thinking organisation work hand-in-hand with the financial imperatives and management. What is more, creative management and solutions can be found for all situations. It is just a matter of good judgment and good management. Whilst in the majority of situations this may be the case this perception denies the occasional and, more often than not, significant situation in which the economic and social justice values are incommensurable. Furthermore, the leadership and practical wisdom described in Chapter 3 (Nagel, 1979) that is required to navigate a decision in such a situation is not recognised and articulated as a desirable attribute in managers. This was not referred to in any shape or form in the recruitment advertisements or the interviews.

9.1.3 Language

The polarisation of economic and social justice values is further cemented through the language used in relation to them. The neo-liberal policies of government that are based on the inherent value of ‘the market’ and that interpret events through the lens of market forces and market failures have fostered a language shift in the nonprofit sector that has seen the adoption of for-profit business language in organisational operations, leadership and strategic planning. This was particularly evident in the recruitment advertisements in
Chapter 6 and in the interviews in Chapter 7. For-profit business language was used constantly to emphasise the importance of financial and business acumen and skill levels required in managers and executives. Furthermore, it is evident from the analysis that the only language available to express efficient and effective financial and organisational management is business language. This is language that is inherently associated with competition and for-profits, thus further separating and polarising the financial and organisational management and the social justice core purpose and services of an organisation.

What is clear is that there is no acceptable and understood language or image for expressing efficient and effective financial and organisational management practices specific to the sector. Unless these skills and knowledge are framed in corporate, business and for-profit terms, they do not carry the hard edge and weight necessary to convey their importance. If they are framed in ‘nonprofit’ terms, this implies a diminished capacity for objective decision making in difficulties where necessary. Moreover, it suggests that financial and organisational management practices are second to the social justice purpose and consequently not so sharp and well honed. The pairing of financial and organisational management with ‘nonprofit’ appears to diminish the skill levels implied and the depth and breadth of experience gained.

There is no common language that expresses the intersection of economic values and social justice values that does not have connotations of either ‘bleeding hearts’ or ‘bean counters’. Moreover whilst economic values remain unacknowledged and unformulated and masquerade as imperatives, the debate and critical questioning required for crafting an approach to working with pluralistic values that have the potential to be incommensurable simply does not occur. This reduces the clarity required to recognise values incommensurability in a decision, and limits the linguistic and decision making tools available for working out a solution.
9.1.4 Government influences

The analysis of the recruitment advertisements showed a constantly changing context sensitive to government policies and initiatives. This supports the findings of Morrow, Bartlett and Silaghi (2007) who commented on the rapid pace of change in the sector and the resultant reactive state of organisations. The analysis of the interviews further elaborated on the complex relationship that organisations and the sector have with government.

The views of government policy and practices expressed in the interviews were overwhelmingly negative, particularly in relation to the Federal Howard Coalition Government. This raises the question of the relevance of these views since the Federal Government changed in November 2007 with the election of the Rudd Labor Government. The only data collection that took place post the election was the 2008 recruitment advertisements, and there were some significant differences in that these, on balance, could be interpreted as reflecting an initial optimism with the change of government.

As identified in the literature in Chapter 2, the Federal Rudd Labor Government was ‘talking the collaborative, partnership, social inclusion talk’ but had yet to ‘walk the walk’. An example of this is the comments of the Minister for Employment Participation, Brendan O'Connor, when he foreshadowed in April 2008 that the ‘current (Job Network) compliance regime is enshrined in legislation and any significant changes will take time to address’. Furthermore, as the literature in Chapter 2 and 4 shows, neo-liberalism is the favoured political and economic orientation in the Western World. With globalisation, it is unrealistic to expect the Rudd Labor Government to substantially change direction in the immediate future. Consequently, it is reasonable to assume that there is still value and relevance in the comments from the interviews that relate to government policies and practices. Apart from anything else they offer some direction for any contemplated change.
The neo-liberal policies that underpinned the competitive tendering practices and contractualist funding agreements in community services were at the heart of the criticisms of government. The following summary outlines the major concerns expressed in the interviews in Chapter 7.

Outcomes are emphasised over processes.

A climate of uncertainty and unpredictability exists around funding.

Organisational resources are diverted into tender writing and reporting against regulatory and contractual compliance requirements.

Organisational independence and strategic innovation is diminished in service delivery.

The collective and collaborative culture of the sector is reduced and an individualistic approach on the part of organisations is encouraged.

Larger organisations with economies of scale that can cross-subsidise under-funded areas are indirectly privileged.

The loss of smaller organisations reduces the sector’s diversity and in turn its range of care options.

Competition is increased between services for government funding, philanthropic foundation support and donor dollars.

These concerns are not new. The erosion of the sector’s cooperative culture, the loss of small organisations, the costs of tenders and administration, the complexities of funding and the lack of long term strategies as a result of the purchaser provider split were expressed in the literature reviewed in Chapter 2 (Bergman, 1998; Coile, 1994; Council on the Ageing (COTA), 1997; Morrow, Bartlett & Silaghi, 2007; Ryan, Parker & Brown, 2000; Staples, 2006). Nonetheless, they add further evidence and weight to the detrimental effects of these policies on the sector.

The Howard Coalition Government’s practice of de-funding advocacy organisations critical of its policies and to include silencing clauses in funding agreements was viewed as further evidence of a deliberate strategy to undermine the independence of the sector. Along with the policies of Welfare to Work, breaching job seekers and Work Choices there was a view among the majority of interviewees that human rights and social justice
were being systemically eroded. These views are echoed in the literature in Chapter 2 (Eardley, Abello & MacDonald, 2001; Melville, 2003; Sawer, 2002; Staples, 2006; Zigarus, 2003). Nonetheless, in all the interviews a strong sense of independence and separateness from government was expressed. This sense of independence ranged from viewing the organisation as an individualistic business to a collective view of the organisation as part of a whole and independent sector.

The tension between the economic and social justice demands were felt by all the interviewees. This was echoed in the analysis of the recruitment advertisements and the questionnaires. The tension was further underscored by the government’s adoption of business discourse in their tendering and contractual policies and processes. Again, the recognition of the tension is not new and not exclusive to Australia as the work of Frumkin and Andre-Clark (2000) illustrates. Nonetheless, the strategy of seeking managers from a for-profit business background, whilst foreshadowed in the popular media (Vincent, 2002), had not been specifically linked to the increasing tension being experienced by organisations under neo-liberal policies.

The recruitment advertisements demonstrated the desire for business experience in managers (46%). The questionnaires demonstrated that only about 30% of respondents favoured for-profit business experience over nonprofit experience in managers. The interviews explained that behind the preference was a view that for-profit business experience equalled hard-edged efficient and effective financial management not commonly found in nonprofit experience. Furthermore, such financial management experience is necessary for navigating and leading organisations through the difficult and complex financial demands created by competitive, contractualist government funding agreements.
9.1.5 Sector defined by dichotomies and binaries

Another consequence of neo-liberal government policies is that they have created a dichotomy in the sector between the so-called ‘backward looking’ organisations with a welfare and welfare state culture and ‘forward thinking’ organisations with a business orientation and modus operandi. However, the very binaries through which the sector has been distinguished (government–non-government, for-profit–nonprofit) reflect the importance of a choice in community service provision. It is a choice that is important to service users, employees, volunteers and donors who place purpose and values at a premium. A desire to emulate the business alternative may have short-term benefits for the individual organisation but as a whole the sector and the community will be the poorer for it. Given the importance that the literature places on values and the low priority given to values in the advertisements in particular, perhaps it is time for the sector to return to its roots and regroup to face the challenges of the ‘neo-liberal’ market place in a less polarised way.
9.2 The inclusion or otherwise of the organisation’s values in the recruitment and appointment process for managers and CEOs

The following are the related subordinate research questions.

- How are the organisation’s values included or not, in the recruitment process for managers and CEOs? That is,
  - background to the recruitment campaign
  - conceptualising the ideal candidate
  - advertising
  - interviewing
- What significance did values have in the appointment of CEOs?

9.2.1 Background to the recruitment campaign

The in-depth interviews provided the data to answer these research questions. In terms of the background to the recruitment campaign, the organisations fell into the three groups identified in Chapter 7.

The Chairs in Group 1 were all from a for-profit, business background. They viewed their organisations as businesses. They saw their organisations as singular entities in a competitive environment, not as part of a collective whole – a sector. They were acutely attuned to the competition. Their view was that without a strategic economic approach there would be no organisation. Consequently the business side of leadership and management needed to come first and be addressed effectively, and the service delivery would naturally benefit.

All the Chairs believed in the value of the organisation’s purpose and in that respect the organisation’s values. However, little attention was given to the organisation’s social justice values in the background to the recruitment campaign. Economic values were paramount to this group of Chairs and they were described as imperatives. Whilst they all
expressed a desire for a CEO with a ‘heart’ and passion for the purpose, the management of the organisation along business lines was the most important priority.

The social justice values of their organisations were central to the Chairs in Group 2. These Chairs all had backgrounds in community services from either the nonprofit sector or government. They saw their organisations as part of the sector, a larger whole with shared values and purpose. In discussion, the social justice values were used to define the culture of the organisation and the way the organisation worked. Understanding social justice values, organisational culture and the sector was viewed as critical to operating effectively and essential to leadership. The common short-hand used for this was ‘having the content’.

The organisations in Group 2 were feeling the pressure from neo-liberal government policies and practices. Nonetheless, the Chairs did not see buying or importing for-profit business expertise as any sort of solution. In fact, these Chairs considered a business perspective to be a problem. In their experience, people with a business perspective did not understand that nonprofits have a different bottom line and consequently a different way of operating economically. Moreover, these Chairs felt that they needed someone strong enough to withstand the pressures from government funders. They wanted someone who would see the organisation as independent and in that sense always come back to the organisation’s values and purpose when considering direction and service provision.

Like the Chairs in Group 2, the Chairs from Group 3 had backgrounds in nonprofit and government community services. They were also feeling the pressure from neo-liberal government policies and practices. However, unlike Group 2, these Chairs previously attempted to address the pressure through the appointment of a CEO from a for-profit, business background. These Chairs were absolutely aware of their organisations’ values. In trying to solve the economic pressures on the organisation they initially believed it possible to have the values addressed and accounted for at the middle management level of the organisation while a new CEO, from a business background, learnt the ropes. In every case this was an unmitigated failure, the main reason being that the imported CEOs
did not understand the role and significance of organisational values. They were unfamiliar and ‘at sea’ with the nonprofit culture. Consequently these CEOs had major problems with their staff and their Boards.

Having been burnt badly by the failure of the appointment of a CEO from a business for-profit background, the Group 3 Chairs decided that organisational values, and in that sense also organisational culture, were of overriding importance in the selection of the next CEO. Consequently they sought the safest route to a sound appointment and structured their campaigns to this end.

9.2.2 Conceptualising the ideal candidate

The way the interview groups conceptualised their ideal candidate was consistent with the backgrounds to their recruitment campaigns.

Group 1 was looking for ‘a hard-nosed business manager with a heart’. In terms of the social justice organisational values, these were important but only after the economic values had been addressed. As Stewart put it, they wanted ‘someone who had run a commercial operation and had a financial role. Then there are other aspects, someone who actually had the sensitivity to be in the service sector’.

Group 2 were conceptualising their ideal candidate from the opposite position. First and foremost they were concerned about the candidate’s social justice values and the alignment of those values with the organisation. As Sue explained ‘you have a set of values and principles that you operate by, you want somebody that can share those principals and philosophies and it’s a real problem if you’ve got somebody who is operating in a different mindset to that.’ Effective economic management of the organisation was also important. However Group 2 considered it possible to get the necessary financial management skills in someone with experience in the sector. They did not see financial acumen and social justice ‘content’ as incompatible or mutually exclusive.
Group 3 conceptualised their ideal candidate on the back of their unsuccessful experience importing the previous CEO from outside the sector. They were still concerned about the economic imperatives in the funding context; however they were now all too aware of the importance of alignment with the social justice values of the organisation. As Walter said: ‘We went back out to the market again and this time we were looking for something different. We wanted a better knowledge of the organisation and a better ideological commitment.’

The analysis of the questionnaires suggests that employees consider it important for managers to have a personal alignment with the organisation’s values and to focus on those values in their management. However, the significant message from the recruitment advertisements re the ideal candidate for a management position is a breadth of experience. Moreover, the ideal manager has management experience already, even at the entry team leader level. This suggests some significant implications for careers that are discussed later in this Chapter.

### 9.2.3 Advertising

The recruitment advertisements give a fairly good picture of the way the sector includes or does not include organisational values in its advertisements. The organisation’s mission was stated explicitly or was referred to in 84% of the advertisements. In terms of the espoused social justice, organisational values, as previously mentioned just under half of the advertisements referred to organisational values and only 19% stated them explicitly. Moreover, values alignment was asked for in only 24% of the advertisements. The image that organisations projected in the advertisements varied according to size and location, with the large and extra-large organisations in the capital cities imaging themselves as purposeful and values-driven. Nonetheless, whilst these organisations were clear about their mission and social justice values they were also all the more likely to use business language in the process. In terms of economic values, these were evident in the
requests for business experience and 70% more advertisements requested business experience than requested nonprofit experience. Taken as a whole, the value plural context is evident.

9.2.4 Interviewing

The different approaches of the three interview groups to the CEO interviews were consistent with their backgrounds to the recruitment campaigns.

Group 1, which was essentially looking for the business manager with a heart, primarily interviewed candidates with a business background. In most cases some internal candidates were interviewed but none were appointed.

Group 2 was looking for alignment with the social justice, organisational values. They received applications from people with backgrounds in for-profit business, government and nonprofits. However, they did not interview any from a for-profit business background because, as Alison said, ‘They didn’t have the content. They didn’t have the children’s content or the community sector content.’

Group 3 were not leaving anything to chance in this recruitment campaign after the failure of the previous appointment. Their strategies were all similar. They amounted to identifying a potential candidate who possessed the desired skills, knowledge and values and inviting them to apply for the position.

9.2.5 The significance of values in the appointment of CEOs

The questionnaires and the in-depth interviews provided the data to address this question. The relevant findings from the questionnaire were in the responses to the statements on staff and senior management appointments. Seventy-five per cent of respondents thought that organisational values were influential in staff appointments. Whilst this is a strong score, it was, nonetheless, the lowest positive score in that set of items. Furthermore, in
terms of senior management appointments in the sector, only 53% of respondents thought that, on balance, the senior management appointments reflected that the sector valued nonprofit experience above experience in for-profit business and government. Whilst this item was not overtly about values, it can be seen to reflect them because the sector is by nature, values expressive. In summary, the findings from the questionnaire suggest that at the organisational level alignment with organisational values is seen as a less important criterion for selection and that, at the senior management level, experience in implementing organisational values may not even be considered.

The in-depth interviews provide a more detailed picture that gives greater significance to the social justice organisational values in the appointment of the CEOs. On balance, the interview groups appointed their CEOs in line with their emphasis on economic values and their social justice, organisational values. There was one noted disappointment and one notable exception. The disappointment was from Group 2 where Thomas was appointed CEO of Focus, an extra-large, disability, membership-based organisation. He had an extensive background as CEO of a large disability organisation and the selection panel was delighted with the demonstration and alignment of his values. Nonetheless, they would have liked to appoint a person with a disability. As David, the Chair, said ‘that would have been a very strong statement to have made.’ It would have been an active demonstration of the organisation’s values in practice. However, as David said, it was not possible.

The notable exception was from Group 1 and it was the appointment of Rhiannon to Sustenance Australia. Initially the selection panel was looking for someone from a for-profit food industry background. Rhiannon had worked in all three sectors but her substantial contribution was in the nonprofit sector. Don, the Chair of the panel, summed up the reason that she was chosen against their initial preconceived notions of the ideal CEO.
‘(We) tried to visualize a situation where Allan Jones, (was) criticizing Sustenance … in some way, and …if I want to put somebody on Allan Jones to play our chorus, she’s the one’.

The selection panel saw that Rhiannon’s values aligned with those of the organisation and recognised the importance of that in terms of knowledge and commitment. It is an exception that demonstrates that the recruitment process can challenge preconceptions and assumptions when all aspects of the work are considered.
9.3 The messages that recruitment and appointment processes send about organisational priorities and position requirements

The following are the related subordinate research questions.

- What messages do recruitment processes send about organisational priorities and position requirements?
- How do nonprofit workers view senior management appointments, in terms of what they reflect about nonprofit organisations, management and appointments?

If there is one universal message being sent by nonprofit community service organisations in their recruitment processes, it is that these are challenging and complex times and there are no consistent solutions being employed. The recruitment advertisements, the interviews and the questionnaires reflected the tension that is being experienced between social justice values and economic values and between organisational independence, core purpose and financial security. Furthermore, the advertisements reflected organisational priorities in terms of experience sought in CEOs. The highest priority was management experience, with 83% of the advertisements asking for it. Sixty-two per cent of the advertisements asked for industry experience, 46% asked for business experience and only 27% asked for nonprofit sector experience. Nonetheless, whilst low in number, the requests for sector experience in the advertisements for CEO positions and positions reporting to the CEO were still significant. This is encouraging given that these positions are leadership positions with a major stewardship role in the organisations and the sector.

There is another strongly implied message which is that nonprofit managers need to sell their effective financial and organisational management skills and knowledge. Financial acumen needs to be demonstrable. Organisations are saying they need these skills more than ever to navigate in these complex and uncertain times. Experience as a manager in a nonprofit organisation does not imply or carry with it the assumption of financial management expertise, as it appears to do with managerial experience in the for-profit business sector. The combination of financial management expertise and sector
knowledge and experience is essential for organisations and the sector to thrive and maintain their independence. Clearly there are implications here for individual career management and these are discussed in the next section in this chapter.

In terms of nonprofit workers’ views on senior management appointments and what they reflect about nonprofit organisations, the questionnaire findings are revealing. The majority of nonprofit workers valued nonprofit experience in their managers. However, they felt that appointments in the sector reflected that the sector valued for-profit and government experience more. Moreover, whilst the majority of workers thought that in general staff appointments were guided by organisational values, confidence in this was the lowest of all the organisations’ activities. This is somewhat concerning because of the importance of leaders in enacting the values and communicating the mission of the organisation (Hesselbein, 2005; Trice & Beyer, 1993). What is more, as previously mentioned in the literature in Chapters 3 and 4, congruence between mission and practice is essential for staff morale and retention (Buntzman & Parker, 2008; Freeman, 2005; Lenocioni, 2002; Myers & Dreachslin, 2007; Ryan & Tippins, 2004; Seevers, 2000).
9.4 The relevance of organisational values in the choice to work in nonprofit community services

The following is the related subordinate research question.

- Are organisational values relevant in the choice to work in nonprofit community services?

9.4.1 General

Over the last 20 years, the literature has identified that one of the dominant motivations for working in the nonprofit sector is values alignment and the opportunity to enact values through work (Brandel, 2001; Brown & Yoshioka, 2003; DeVaro & Brookshire, 2007; James, 1989; Kim & Lee, 2007; Little, 2004; McMullen & Schellenberg, 2003; Mirvis & Hackett, 1983; Onyx, 1998; Preston, 1989; Weisbrod, 1983). On balance, both the interviews and the questionnaire findings support the literature – that organisational values were relevant in the decision to work in the sector. Nonetheless, it is useful to bear in mind that, because the sector is explicitly values expressive, participants could have felt an inherent expectation to mention values as a motivator.

In the questionnaire, 91% of the respondents identified alignment with the organisation’s values as a reason for choosing their current position. The sample would have skewed this result somewhat because all the respondents were involved in specific nonprofit educative activities. Nonetheless, the factor analysis did identify a clear personal career development theme within the responses that was values free. Whilst less specific, the two career factors, career development and values congruence, resonate to some extent with Harrow and Mole’s (2005) career typologies of the Paid Philanthropist, Careerist and Non-Aligned. Moreover, they suggest that there are numerous and contemporaneous motivations at play in employment and career decisions.
9.4.2 CEO

The CEOs interviewed who had backgrounds in the nonprofit sector were specific about the organisation’s values as a reason for applying for their position. They expanded on their own values and the importance of values alignment. Moreover, they provided reasons for first developing an interest in the service area. It was clear that the organisation’s values and type of service provision were central to these CEOs’ choice of organisation. This was not so clear with the CEOs with a for-profit background. The specific organisational values and service provision were less of an issue; it was more the general sector social justice values that were mentioned. These CEOs spoke of ‘giving back’ and wanting to ‘do some good’. In terms of themselves, they referred to their ‘passion’ and ‘heart’. Their focus on values in the interviews was limited and brief and their language and analysis was simplistic. One mitigating explanation for the lack of sophistication in these CEOs responses about values could be their lack of enculturation in the nonprofit sector. Just as the nonprofit sector appears to lack the sophistication of language that expresses efficient and effective sector-specific financial and organisational management practices, so too the for-profit sector may lack the sophisticated language that expresses the analysis of individual and organisational social justice values and their alignment.

9.4.3 Career paths

The combination of the recruitment advertisements, the interviews and the questionnaires provides a rich and detailed view of careers in nonprofit community services from the individual, organisational and sectoral points of view.

9.4.3.1 Boundaryless careers – the sector perspective
The literature shows that the concept of the boundaryless career has been around for over 15 years. The work of Lyons (1992), Onyx and McLean (1995), Little (2004) and Harrow and Mole (2005) all identified that movement between organisations was a common
career strategy and recognised career path. Referred to here as ‘agency hopping’, career orientated workers developed management skills and experience by moving from smaller organisations to larger organisations, increasing their responsibilities, particularly for staff and budgets, with each move. Moreover, in areas where there were parallel government services such as substitute care and disability services, movement between the sectors was also common. However, the recruitment advertisements and to an extent the interviews revealed that organisations are requesting for-profit business experience, from any industry it would appear. This has not been identified previously and seems to be a new development. It raises questions for career-minded individuals and organisations that are addressed in the next sections.

Another and related change identified in the literature (Staples, 2006) was the diminishing numbers of small organisations, as outcomes-based funding contracts make it almost essential to operate with economies of scale. This observation was also made by a number of the interviewees. Moreover, only 18% of the recruitment advertisements were for small organisations. The reducing number of small organisations impacts on available opportunities for gaining management experience through agency hopping. This has implications for individual career management and is addressed in the individual perspective.

9.4.3.2 Organisational perspective
The recruitment advertisements showed that at the senior management level organisations are seeking for-profit business experience as well as nonprofit experience in their managers. This was also evident in the interviews, although taken as a whole they suggest an ‘either/or’ approach. Furthermore, the interviews revealed that for-profit business experience is perceived to be synonymous with highly skilled, ‘hard-nosed’ financial and organisational management. The corollary of this is that nonprofit management experience is devalued in terms of highly skilled financial and organisational management, although there is no hard evidence to support either assumption. What is clear is that irrespective of where the skills and experience are gained, financial and organisational management expertise are both essential for the effective management of nonprofit organisations. What is more, the interviews showed particularly that an
understanding of nonprofit culture, having the ‘content’, sharing the philosophy and values, was important for leadership and organisational ‘risk management’.

The interviews provided evidence of a value plural operating context that encounters values incommensurability on occasions. The concerns expressed in the literature (Allen & Potten, 1998; Frumkin & Andre-Clark, 2000; Morrow, Bartlett & Silaghi, 2007) about the impact on services of the purchaser-provider split, with its competitive quasi market and its outcomes based funding contracts, suggests that values incommensurability is inevitable. It follows that in order to manage effectively in this context, organisations should be looking for critically reflective judgment or practical wisdom in their senior managers in addition to financial and organisational management expertise and nonprofit sector knowledge and experience.

The analysis of the recruitment advertisements also revealed that organisations are buying in skills needed now. The degree to which management experience was requested at the entry level position of team leader suggests that, in general, organisations are not developing their own managers. Clearly this raises issues for individual career development, which are addressed in the next section.

9.4.3.3 Individual perspective

The first observation from all sources is that the current operating climate and context is complex and demanding. Irrespective of the organisation, it requires managers and CEOs with knowledge, skills and resourcefulness. Moreover the value plural environment within organisations and governments calls for nonprofit senior executives to exercise practical wisdom in their decision making. In short, all the evidence from the literature, interviews and questionnaires suggests that managing a nonprofit community service organisation requires highly developed skills and judgement, in addition to a comprehensive knowledge-base in people management, organisational administration and the nonprofit sector. Evidence from the organisational perspective cited above points to the fact that it is no longer possible to rely on happenstance for the development of this suite of skills, knowledge and experience. What is more, demonstrated commitment to social justice values, industry specific qualifications and a strong work history in the
sector is no longer sufficient to guarantee career opportunities at the CEO level. The career orientated individual needs to engage in strategic career thinking to place themself well in the current nonprofit community services management market.

The first and overriding message is that career minded workers in the sector must develop and demonstrate effective financial and organisational management skills and capabilities that are second to none. A number of the CEOs interviewed started this process through obtaining formal management and administration qualifications. Getting started with experience appears a little trickier now. The combination of the trend for organisations to buy in management experience rather than develop it and the diminishing number of smaller organisations suggests that career orientated workers need to be particularly mindful of developing their own opportunities for gaining management experience. Such opportunities typically would include acting in management positions when the incumbent is on leave and volunteering on the management committees of small and possibly unrelated organisations.

Moving between organisations and sectors is not just commonplace, it is also clearly advantageous in career terms. This needs to be understood and pursued as the typical career path which the interviews demonstrated. Nonetheless and ultimately, sector knowledge and values are critical for both management and leadership. Moreover, as the interviews showed, there are organisations that recognise this and are seeking sector values and knowledge specifically.
9.5 Revisiting the contextual framework

The development of the contextual framework was informed by the literature. However, what is clear is that the three pieces of research in this current study reflect the framework in terms of the influences determining human resource practices in the recruitment of managers in nonprofit community services. Moreover, as addressed in the first part of this chapter, those practices have an impact on career paths and opportunities, organisational development and sector identity.
Figure 3.1: Contextual framework for considering the impact of incommensurable values on the HR policies in nonprofit community service organisations
The first box in the conceptual framework identifies the origin of services as a response to the needs of vulnerable and disenfranchised members of the community, and the desire to create a humane and compassionate society. These goals were evident in the mission and values of organisations that included them in their recruitment advertisements, the descriptions that interviewees gave of their organisations and the responses to values items on the questionnaire. The government’s response to the community’s social welfare needs is a mix of legislating rights and funding welfare services (Jamrozik, 2006; Quiggin, 2005). The tension between the universality of the enabling rights legislation and the constraints of the funding process and contract requirements was evident in the literature as was the flow-through effect for organisations (Carson 2000; Flack & Ryan 2003; Frumkin & Andre-Clarke, 2000; Morrow, Bartlett & Silaghi, 2007; Randall, 1995; Raper, 2000). Whilst described and discussed this tension was never framed theoretically. Moreover, as previously mentioned, the tension, particularly the economic element of it, was never outlined in terms of values. All three pieces of research in this study reflected the intense pressure that the tension between social welfare goals and economic performance generated for organisations and, as in the literature, the economic factors were never framed in terms of values.

The theory of value pluralism and incommensurability that was developed in a political philosophical construct does explain the tension and provides an approach to its management (Crowder, 2002; Stocker, 1990). Value pluralism acknowledges the equal validity and importance of addressing economic and social welfare demands in organisational management. It does not privilege one over the other. The recruitment advertisements suggested that some organisations were attempting to manage the economic and social welfare tension by prioritising the economic demands. This became clearer in the interviews and questionnaires. The interviews revealed that some CEOs and Chairs were aware of the more important requirements in organisational management. These were not universally the economic demands or the social welfare provision, but responses varied between the interview groups as previously explained. Other interviewees acknowledged the importance of both and described in practice the experience of incommensurability in decision making. However, as identified early in
this chapter, there was no pre-prepared approach for working through an incommensurable issue.

The HR policies and practices evident in the recruitment advertisements, the interviews and the questionnaires varied across organisations. The only evidence of actual HR policies was in the recruitment advertisements, where working within the organisation’s values was mentioned. No specific formal recruitment policies were identified in the interviews, only references to practices and preference. Nonetheless, what was evident was that recruitment was based on sector skills (knowledge and experience) and also management skills (knowledge and experience), particularly financial management in a competitive environment. Moreover, as identified earlier in this chapter, the firm evidence of financial management experience in a competitive environment was for-profit business experience.

The implications are clear. In terms of careers, as previously mentioned, committed career minded workers need to:

- make opportunities for gaining management experience
- gain and demonstrate effective financial management skills and knowledge, in addition to sector management skills and knowledge
- prepare for a broad spiral career path that includes lateral and cross-sector moves.

In terms of organisational development the interviews particularly reflected three strategies – two that could be considered strategic and one that was clearly reactive. Interview Group One’s strategic approach could be characterised as ‘moving with the neo-liberal times and becoming a competitive business’. Interview Group Two’s strategic approach was more ‘unite, dig in together, grow strong and fight’ for the sector’s independence and role. Interview Group 3 was feeling the pressure acutely and seeking some solution in the CEO appointment. However, its reactive strategy had been first to lurch towards for-profit business skills and experience. When that failed the organisations retreated to the safety of a known candidate. Their experience shows that a match with the organisational culture is central to CEO acceptance and success, something that is
echoed in the literature (Freeman, 2005; Vogelsang, 1998; Hesselbein, 2005; Akingbola, 2006; McMullen & Schellenberg, 2003). Again the implications are clear. Irrespective of the organisation’s strategic direction, for successful management appointments organisations should:

- clarify, document and make public their economic values and approach
- appoint managers that fit with the organisation’s culture and strategic direction
- in the skill mix of nonprofit financial and organisational management look for critically reflective judgment or practical wisdom, particularly in CEOs.

Finally, in terms of sector identity the three pieces of research raised a number of issues. The defining characteristics of the sector as independent, nonprofit and values expressive are well established in the literature and a recurring theme in this thesis. However, one of the other recurring themes in the literature and this thesis is the impact that neo-liberal government funding policies are having on nonprofit community services. Firstly, the contractual requirements are so specific and outcomes based that exercising any autonomy and initiative in the delivery of services is severely limited. The control that government exercises through funding contracts raises the question of organisational independence. This has been further compounded by the ‘gag clauses’ and defunding of advocacy programs. This issue was raised by interviewees in all three groups.

The second and related issue is the erosion of the collective culture of the sector through the competitive tendering processes which pit organisations against each other in the selection process. This is further underscored by the business discourse adopted by government in their contracts and dealings with service providers. The interviews, and to a lesser extent the recruitment advertisements, presented stark evidence of organisations that at one end of the spectrum adopted the business paradigm and saw themselves in competition with other organisations for government and donor dollars. At the other end of the spectrum were organisations that saw themselves collectively as part of a sector that needed to marshal its members in a unified front offering independent views from government.
The differences in organisational cultures in the sector feed into the next issue which is the image of the sector within the sector. As previously mentioned the projection of the business paradigm largely by government and its adoption by numerous organisations in the sector has polarized business and welfare within the sector. The recruitment advertisements demonstrated that those organisations wanting to image themselves as forward thinking framed themselves in business terms. As one advertisement put it:

‘not-for-profit organisations have changed – no longer are they staffed by volunteers or seen as second rate positions… This multi-faceted role will see you working and growing the business, cultivating ideas in various forums and interacting with senior level government and private sector ‘spheres of influence’.

Appendix 7 (Example of a ‘forward thinking’ recruitment advertisement)

Apart from devaluing the sector’s rich and distinguished values expressive history, the flip side of this is the devaluing of the human service and social justice skills, knowledge and community connectedness. This was evident in some of the interviews with the Chairs in Group 1. Moreover, the recruitment advertisements and some of the interviewees reflected a tendency to pigeonhole people as either business (and that equals financial acumen) or welfare (and that equals no financial acumen). The reality is that financial acumen can be found in nonprofit managers, as the interviewees demonstrated. By the same token, a business background does not necessarily guarantee financial acumen, given that only 6.25% of for-profit businesses survive (Australian Bureau of Statistics, 2007).

The implications are clear. The strength of the sector in the past and also now is as an independent, values based philanthropic force that gives voice to otherwise silent and marginalised members of society. The neo-liberal policy of purchaser provider split has seen considerable growth in community services overall. Nonetheless, its collective strength is being eroded by competition. Its voice is being silenced by dependence on government funding. Its grassroots community connections are reducing through government funding to economies of scale and its independence is being compromised by
tightly specified, outcomes-based contractualist funding agreements. It is time to promote its strength and role in civil society. The nonprofit community service needs to:

- identify and link economic and social justice values to the organisational mission and operating context
- be transparent in all its operations and decisions, with clear values and mission linked rationales behind strategies and activities
- promote the complex skill and knowledge sets required for effective management that include financial expertise and that have and do exist in nonprofit managers’ language
- be mindful in organisational operations of the greater role of the sector as an agent of social change and the part that individual organisations play in that.
9.6 Directions for further research

As with most research, this study raises more questions than it answers. In this section the more relevant areas for further research are addressed.

The first and most obvious area for further research is the Rudd Labor Government and its developing relationship with nonprofit community services. The influence of the Howard Coalition Government permeated throughout this study. So did the sensitivity of the sector to government policy and practice. At the time of writing there have been positive overtures on the part of the Rudd Government, but little action. The progress of the global financial crises is unknown at this stage. However it could mean a greater involvement and increased profile for community services at a micro level. At a macro level it may mean changes to the dominant global economic paradigm of neo-liberalism. This in turn could effect a change in the relationship between government funders and community service providers.

The reduction in the number of smaller organisations, due to funding that favours economies of scale, has resulted in organisational mergers, amalgamations and takeovers. The benefits and disadvantages of an increase in larger organisations and a decrease in smaller organisations are worth exploring. So too are the strategies employed by organisations to manage the transition and change to a new organisational form. In particular the experience of service users is a valuable perspective to explore.

A detailed study on the skill set of managers and CEOs in the nonprofit community services sector would be timely and could challenge some of the preconceptions and stereotypes evident in this research. It could also begin a sector specific efficient and effective financial management discourse, giving language to the sector that is not imbued with for-profit business principles.

A study that focuses on values incommensurability in significant decisions in nonprofit community services could inform the sector of its prevalence and the processes used in
reaching a decision. This could serve three purposes. Firstly it would aid organisations in making transparent their decisions and decision-making processes. It would highlight the plural value sets operating in organisations and it would emphasise the importance of critical reflective judgment or practical wisdom as an essential skill in senior management.

Finally a detailed study of the career paths of Australian CEOs, similar to the UK study of Harrow and Mole (2005), would provide a comprehensive and local picture of who is there and why, in addition to the ways and means used to achieve the position.
9.7 Contributions to knowledge

This final part of the thesis is a reflection on the study’s contribution to knowledge. Its essentially original findings are outlined below in the three areas of careers, values and language.

9.7.1 Careers

Much of the findings around careers supported the work of previous studies with slight contextual variations. The one finding that was not foreshadowed in the literature was the desirability of for-profit and nonprofit cross sector experience, in management positions in nonprofit community services. The boundaryless career is now sought after by employers and those boundaries are sectoral.

9.7.2 Values

The economic values that operate in the decision-making processes in nonprofit community services had not been previously recognised. Consequently, the operating context had not been viewed as pluralistic in terms of values, nor had the potential for values incommensurability been identified. The application of the philosophy of value pluralism to nonprofit community services is new. It provides a transparent framework for understanding and managing the tension between the social justice purpose and the economic management of an organisation in a way that transcends personnel changes and is owned by the organisation. Moreover it gives direction on the skills and knowledge required in management in order to navigate a value plural environment.

The benefits of practical wisdom/phronesis/critical reflective practice are not unknown in the nonprofit sector. For example, whilst not stated in these terms, the Sydney Leadership Program established by the Benevolent Society, is designed to develop practical wisdom in a context that applies it to the social challenges facing society today (Benevolent Society, 2008). Nonetheless, practical wisdom has not been linked to a plural values
based operating context before. Currently, if and when it is identified as a management attribute, it is seen as desirable. However, managing plural values suggests that practical wisdom is more of an essential management attribute. Clearly, one of the implications of this is its inclusion in nonprofit management education.

9.7.3 Language

The financial and economic language and discourse used by government funders and nonprofit community organisations at present belong to for-profit-business and whilst it may not be used this way, it is imbued with for-profit values and purpose. It does not represent the financial and economic skills and acumen brought to the successful management of a nonprofit organisation. A new discourse is needed that characterises the economic and financial savvy brought to bear on organisational operations focused on social justice solutions.

An illustration of what is required can be seen in the unrelated but nonetheless comparable example of late twentieth century British politics. The two major parties that dominated politics were the Conservative Party, perceived as market liberalists, and the Labour Party, perceived as democratic socialists. This was until the discourse of the Third Way was formally adopted by ‘New’ Labour as a synthesis of the two political positions with superior application for the economic and social demands of the day.

It is not within the scope of this final chapter or this thesis to develop a new discourse that represents the economic and financial acumen required by, and existing in the nonprofit sector. However, there are some indications that the genesis has begun with approaches such as social entrepreneurship. Moreover, there is the cross fertilisation that is occurring through the expanding spirals of nonprofit career paths, that appear to cross for-profit sector boundaries as a matter of course. There is every reason to believe that this cross fertilisation will produce a synthesis of language and a new discourse in the sector.
9.8 Last words

_The future belongs to those who prepare for it today._

Malcolm X, 1925–65, American black militant leader

In the beginning of Chapter 1 the researcher expressed concern that the boundaries between the nonprofit and for-profit sectors were blurring as a result of neo-liberal government funding policies that encouraged organisations to adopt a ‘business’ approach to service delivery. The findings in this study reflect the challenging times that nonprofit community services are facing, which clearly include pressures from operating in a competitive market with for-profit businesses. However, during the final writing of this thesis dramatic events such as the global financial crisis have laid neo-liberal economic policies open to examination and criticism. Furthermore at a local level the sudden collapse of ABC Learning, a for-profit company that operated 1100 child care centres around Australia, has cost the Federal government $108 million to sustain the places and find new operators (Kruger & Saulwick, 2009). This has raised critical questions about for-profit traders in government funded human services (Ryan & Grand, 2009).

The findings in this study suggest some directions for strengthening nonprofit community services in the current times. However, what is also clear from the study is that the sector is sensitive to the shifting grounds of public policy, social debate and community feeling. History shows that the nonprofit sector has morphed, evolved and repositioned itself over centuries of political and social change. Moreover, it has throughout sustained its independence and core purpose. This is a fundamental reason for optimism about the future.
References


Boerlijst, J. G. (1994). The neglect of growth and development of employees over 40 in
organizations: A managerial and training problem, in J. Snel and R. Cremer (eds), *Work
and aging* (pp. 251–71), London: Taylor and Francis.

Universitaires de France.

13.


Brennan, Deborah (2005). Children and families: Forty years of analysis and commentary
Autumn, 75-90.


interviewer in social science research*. Cambridge UK: Cambridge University Press.


Cunningham, I. (2001). Sweet charity! Managing employee commitment in the


- 354 -


Appendix 1

Email Introducing the Research
Thank you for expressing an interest in my PhD research on the recruitment of managers in the nonprofit, nongovernment community services industry. Just to give you a bit of background about myself, I am the Course Coordinator for the Postgraduate Community Management Program at University of Technology Sydney, which is also where I am undertaking my PhD studies. I have worked in the community services industry for over 25 years primarily in disability and children’s services. The research is indirectly funded by the Australian Commonwealth Government. My Principal Supervisor is Professor Jenny Onyx who can be contacted on 02 9514 3633 or jenny.onyx@uts.edu.au.

By way of overview, for this part of the research, I'm interviewing CEOs of nonprofit nongovernment community service organisations that have been recently appointed and the Chairs of the selection panel/process. The interviews take about 45 minutes. The research is grounded theory so I don't have a hypothesis that I'm seeking to prove or disprove. Instead I am interested in finding out what is happening in the industry in regard to CEO appointments. Basically I am asking what are organisations looking for in CEOs and what attracts CEOs to the positions. There are also a couple of general questions about what the industry needs. Essentially the interviews are unstructured and will be looking at the appointment from the perspectives of the applicant and the selector. The participating organisations will be anonymous in the research and any publications.

I appreciate how tight time is and how this probably appears to be one more demand that you can do without. I can fit in with you in terms of time and location and I do not require any further information after the interviews so you won't be committing to an ongoing interruption. On the up side, the benefits to the industry are significant. The information on leadership will be current, industry specific, grounded in fact, Australian and available at a time when organisations are facing a future that contains few of the hallmarks of the past. The reason I am approaching you is because of your organisation's profile and position in the industry. The outcomes of the research will be all the richer for its participation. I do appreciate you considering my request and you are under no obligation to participate in this research.

Regards
Jenny Green
Appendix 2

Ethics approval email attachment
19 October 2005

Professor Jennifer Onyx
CM05B.04.14
Faculty of Business
UNIVERSITY OF TECHNOLOGY, SYDNEY

Dear Jennifer,

**UTS HREC REF NO 2005-99 – ONYX, Professor Jennifer, ROSS-SMITH, Associate Professor Anne, (for GREEN, Ms Jenny, PhD student) - “The role of organisational values in the recruitment and selection of managers in nonprofit community services”**

Thank you for your response to my email dated 19 September 2005. Your response satisfactorily addresses the concerns and questions raised by the Committee, and I am pleased to inform you that ethics clearance is now granted.

Your clearance number is UTS HREC REF NO. 2005-99A

Please note that the ethical conduct of research is an on-going process. The *National Statement on Ethical Conduct in Research Involving Humans* requires us to obtain a report about the progress of the research, and in particular about any changes to the research which may have ethical implications. This report form must be completed at least annually, and at the end of the project (if it takes more than a year). The Ethics Secretariat will contact you when it is time to complete your first report.

I also refer you to the AVCC guidelines relating to the storage of data, which require that data be kept for a minimum of 5 years after publication of research. However, in NSW, longer retention requirements are required for research on human subjects with potential long-term effects, research with long-term environmental effects, or research considered of national or international significance, importance, or controversy. If the data from this research project falls into one of these categories, contact University Records for advice on long-term retention.

If you have any queries about your ethics clearance, or require any amendments to your research in the future, please do not hesitate to contact the Ethics Secretariat at the Research and Commercialisation Office, on 02 9514 9615.

Yours sincerely,

Professor Jane Stein-Parbury
Chairperson
UTS Human Research Ethics Committee
Appendix 3

Participant Consent Form
I ____________________ approve of and agree to participate in this research project into the recruitment of managers in nonprofit community service organisations (UTS HREC approval reference number 2005-99A), being conducted by Jenny Green (School of Management, UTS, 9514 5440 or Jenny.Green@uts.edu.au) of the University of Technology, Sydney for her PhD. Funding for this research has been provided by the Australian Commonwealth Government.

I understand that the purpose of this study is to investigate the factors that influence the recruitment of managers in nonprofit community service organisations. I understand that this organisation’s participation in this research will involve 2 interviews of 45 to 60 minutes duration, as well as access to relevant supporting documents where possible. I am aware that I can contact Jenny Green or her supervisor Professor Jenny Onyx (02 9514 3633), if I have any concerns about the research. I also understand that I am free to withdraw my participation from this research project at any time I wish and without giving a reason. I agree that Jenny Green has answered all my questions fully and clearly.

I agree that the research data gathered from this project may be published in a form that does not identify me or my organisation in any way.

________________________________________  ____/____/____
Signature (participant) / Position in the Organisation

________________________________________  ____/____/____
Signature (researcher or delegate)

NOTE:
This study has been approved by the University of Technology, Sydney Human Research Ethics Committee. If you have any complaints or reservations about any aspect of your participation in this research which you cannot resolve with the researcher, you may contact the Ethics Committee through the Research & Commercialisation Office, Ph: 02 9514 9615 and quote the UTS HREC reference number. Any complaint you make will be treated in confidence and investigated fully and you will be informed of the outcome.
Appendix 4

Examples of Recruitment Advertisement Content Analysis
The following two advertisements are examples of the content analysis process.

Mission Australia is one of Australia’s largest charities working with disadvantaged people and giving them the support and skills they need to improve their lives. We deliver a broad range of care to individuals, families and communities nationally through the provision of over 300 community and employment services.

Due to growing corporate interest in community programs, this newly created position will play an active role in developing corporate support for Mission Australia’s services.

Working within the Corporate Partnerships team, this role will be responsible for developing in-kind, pro bono and capital contributions from the corporate sector. You will work with internal stakeholder groups to develop programs that meet client objectives.

Due to growing corporate interest in community programs, this newly created position will play an active role in developing corporate support for Mission Australia’s services.

Working with the corporate partnership team, this role will be responsible for developing in-kind, pro bono and capital contributions from the corporate sector. You will work with internal stakeholder groups to develop programs that meet client objectives.
To be considered for this position you will have a track record in managing professional relationships. You have passion for community and social responsibility and are motivated by the opportunity to make a real contribution. A readiness to work within the Mission Australia Value Statement will be highly regarded.

Mission Australia is a non-denominational Christian community service organisation and an EEO employer.

Red sector/industry language
Green management language
Pink neutral language

Year 2004
Location Capital
Industry multifunctional
Position level divisional manager
Qualifications none
Experience management
Mission explicit
Values implied working within – desirable
Language industry
Organisational size extra large
Recruitment agency
Located in one of Sydney’s most dynamic business areas, this growing organisation is involved in a range of commercial businesses and community services. With plans to expand its operations significantly in the next few years, this organisation is seeking to appoint an experienced professional to provide strategic and operational leadership to support the development and management of its commercial and vocational operations.

As a newly created position, the Chief Operating Officer will be responsible for increasing the profitability of existing businesses, the realisation of new commercial opportunities, marketing and profile development, fundraising, factory operations and growth of vocational services. This position will play an integral part in driving growth throughout the business and will provide support to the Chief Executive Officer and the executive team.

To be successful, you will have demonstrated experience in business development, preferably in retail, imports and manufacturing, marketing and factory operations. Experience in fundraising and vocational services would be highly regarded as well as experience in the not-for-profit sector. Strong staff management and budgeting skills will enable you to support and improve business operations. The Chief Operating Officer will build strong relationships both internally and externally and will participate in the development and implementation of the strategic plan. This role is a fantastic opportunity for a commercially minded individual to further develop their career.

Please contact Dalphine Mignon
T 02 9221 5852
E dmign@hays.com.au

Specialist Recruitment hays.com.au choose from 14000 specialist jobs
throughout the business and will provide support to the Chief Executive Officer and the executive team.

To be successful you will demonstrate experience in business development, preferably in retail imports and manufacturing, marketing and factory operations. Experience in fundraising and vocational services will be highly regarded as well as experience in the not-for-profit sector. Strong staff management and budgeting skills will enable you to support and improve business operations. The Chief Operating Officer will build strong relationships both internally and externally and will participate in the development and implementation of the strategic plan. This role is a fantastic opportunity for a commercially minded individual to further develop their career.
Appendix 5

Recruitment Advertisements Coding Instructions
RECRUITMENT ADVERTISEMENT CODING INSTRUCTIONS

IDENTIFYING LOCATION
These should all be mentioned if only in the contact address and/or phone number. If by any chance they are not you include them in the “not mentioned” column.

YEAR
Need to keep a watch out for the same ad appearing twice
02, 03, 04, 05, 06, 07, 08

INDUSTRY
Each ad should only be entered in one category for industry. If a service offers more than one type of service then it can be listed under the target group eg a disability service may offer accommodation and employment services, so it is listed under disability services not housing or employment. A health service such as the motor neurone disease association may offer support groups for members and carers as well as equipment loans and community education, so it is listed under health. If a service has multiple target groups and services then it is listed under multifunctional or aged care or family services. Services such as neighbourhood/community centres are multifunctional even though they are small because they offer drop in, information and referral as well as classes. Migrant resources centres are multifunctional for the same reason.

Substitute care is foster care and group home care for children and adolescents. If any institutions are left for children then they are also included.

Re health, the types of services that are included are community education, consumer support, health education, advocacy and fundraising for support and advocacy. A classic example is ACON (Aids Council of NSW) and the Heart Foundation. The types of services not included are medical treatment and nursing programs, hospitals, medical research and industry bodies for medical professionals. I’ve done a first cut on all the ads but some that we shouldn’t include could have slipped in.

Health & allied health include:
Aged care
Support
Advocacy
Fundraising for support and advocacy
Out:
Treatment
Nursing
Hospitals
Research
Industry bodies for professionals

Industry
Aged care
Disability services
Substitute care
Housing
Children’s services
Youth services
Family services
Counselling
Employment services
Multifunctional
Not mentioned
Religious

ORGANISATIONAL SIZE
I use the following indications as a guide for estimating the size. It is not perfect; it is a judgement call. It’s referred to as implicit coding basically what we need to do is take into account everything about the ad and make a guess at organisational size. So considerations are:

National focus
State focus
Regional focus
Local focus

Capital, regional, country location

Single location
Multiple locations

Single service
Multifunctional

Number of staff
• small: 1 – 19 employees
• medium: 20 – 99 employees
• large: 100 – 199 employees
• extra large: 200+ employees.
Number of programs

Budget
Salary and award

The categories are:
  • Small
  • Medium
  • Large
  • Extra Large
  • Unidentifiable

Examples of size:

**Extra Large**
Baptist Community Services
Blue Care
Catholic Health Care Services
Centacare
Little Company of Mary Health Care
Melbourne City Mission
Mercy Health and Aged Care
Mission Australia
Police and Community Youth Clubs
Presbyterian Aged Care
Relationships Australia
St Vincent de Paul Society
Salvation Army
Silver Circle
Sisters of Charity Health Services
Smith Family
Uniting Care
Wesley Mission
YMCA
YWCA

**Large**
ACON
Cerebral Palsy League of Queensland
Children’s Protection Society
Diabetes Australia
Jewish Care
Legacy
MTC Work Solutions
Nothcott Society
SIDS
St Anthony’s & St Joseph’s Centre of Care
St John Ambulance
Southern Cross Care

**Medium**
Alzheimer’s Australia  
Beyond Blue  
Canteen  
Challenge Armidale  
Edmund Rice Education Directorate  
Immigrant Women’s Domestic Violence Service  
Interact Australia  
Interaction Disability Service  
Light house  
Local Learning and Employment Network  
Odyssey House  
Queen Elizabeth Centre  
QLD Cancer Fund  
Exodus Foundation  
Sisters of Mercy Congregation  
STEPS Disability QLD  
Very Special Kids  
Ethnic Child Care Family and Community Services Cooperative

**Small**
Barwon Youth Accommodation Services  
Coooronya Domestic Violence Service Wangaratta  
NSW Federation of Housing Association  
Parkinson’s Victoria  
Queensland Community Housing Coalition  
Nambucca Valley Neighbourhood Centre  
Side by Side Advocacy  
Shire wide Youth Services  
Greenacre Area Neighbourhood Centre

**LANGUAGE**
The language categories are determined by frequency. The ad is entered in a category when 50% or more of the descriptive language used is from that category. Consequently some ads are listed in two categories. An ad has to be listed in at least one language category. You determine the category by estimating the language group/s from reading the ad. If you find language cropping up frequently that falls into one of the groups below please add it.
<table>
<thead>
<tr>
<th>Category</th>
<th>Language</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector/industry</td>
<td>accreditation, advice, advocacy, anti-bias, bequests, carers, casework, charity, clients, community agencies, community development, community engagement strategy, crises responses, cross-cultural issues, disadvantaged, elderly, foundation, fundraising, funding, government requirements, low income, major gifts, mediation, membership, mobilising the power of humanity, not-for-profit, outreach, philanthropists, quality of care, rehabilitation, relevant legislation, service responses, social networks, social policy, submission writing, support options, sustainable resources, volunteers, vulnerable people, welfare.</td>
</tr>
<tr>
<td>Managerial</td>
<td>accounting, budgeting, change management, coaching, continuous improvement, contract management, corporate services, executive level reporting, financial management, human resources, line management, mentoring, multi-disciplinary team, operational centres, outcomes, performance management, quality assurance framework, results driven, risk management, service excellence, strategic management, targets, workforce planning.</td>
</tr>
<tr>
<td>Business</td>
<td>a mind for business, business acumen, business community, business development, clear business objectives, client markets, commercial discipline, commercial imperatives, commercial revenue targets, customer account based service business, market drivers, market share, profit margins, repeat business, sales.</td>
</tr>
<tr>
<td>Neutral</td>
<td>analytical skills, annual turnover, best practice, collaborative relationships, computer literacy, entrepreneurial, ethically, evaluation, excellent written and oral communication skills, goals, high profile, innovation, integrity, interpersonal skills, key relationships, leadership, liaise, negotiation skills, networks, organisational skills, pilot program, professional, problem solving, public relations, resilience, sensitive issues, stakeholders, state-of-the-art.</td>
</tr>
</tbody>
</table>

**POSITION LEVEL**

Some ads do not specify so you need to interpret what level the position is at. Anyone who reports to the management committee, however small the organisation is, even if it is the only paid position that is considered a CEO.

- CEO report to the Board or Management Committee
- Senior manager reporting to the CEO
- Divisional manager manages team leaders and typically reports to the management level below the CEO. An example is a Divisional Manager of Northern Sydney Disability Accommodation Services who reports to the Northern Sydney Area Director of Disability Services, who reports to the CEO.
- Team leader: this is entry level management
QUALIFICATIONS
Industry
Business
Management
Relevant
Essential
Desirable
None

If qualifications are mentioned but not specified like tertiary qualifications then it’s relevant eg ad 20.

EXPERIENCE
Sector is explicit experience in the nonprofit sector also any fundraising is specifically nonprofit. Industry is experience in the service type such as aged care or disability services. Business is experience framed as specifically for profit or ambiguously such as commercial and marketing. It is experience that is described so that it can include and attract people from the for-profit sector. Management experience is fairly straightforward as is research and CEO. Experience such as leadership I include under management.

With the experience if it is mentioned but not stated as essential then I assume it is desirable. If you notice that there are other types of experience identified that don’t fall into the following six categories then please add them.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Essential</th>
<th>Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Essential</td>
<td>Desirable</td>
</tr>
<tr>
<td>Business</td>
<td>Essential</td>
<td>Desirable</td>
</tr>
<tr>
<td>Management</td>
<td>Essential</td>
<td>Desirable</td>
</tr>
<tr>
<td>Research</td>
<td>Essential</td>
<td>Desirable</td>
</tr>
<tr>
<td>CEO</td>
<td>Essential</td>
<td>Desirable</td>
</tr>
</tbody>
</table>
MISSION/CORE PURPOSE
Explicit Yes
Implied Yes
Not mentioned

Willingness to work with in … value statement
In accordance with the mission of the organisation
Ability to work within the ethical and cultural ethos
Any reference to values, mission is implied

VALUES
Explicit Yes
Implied Yes
Essential
Desirable
Not mentioned
Examples:
• Courage, integrity, respect, accountability, working together
• Values include integrity, justice, compassion, respect and commitment
• A strong commitment to social justice
• Commitment to encouraging community involvement in the planning and development of programs and services
• Commitment to working within a feminist framework
• Committed to achieving the best possible outcomes for service users

NOTES
There are category subsets that must add up to the total number of ads because something has to be identified in that subset for each ad. They are

Capital + regional + country = total number of job ads

• Industry subcategories must add up to the total number of job ads because the ad must either identify:
  o an industry or
  o that it is multifunctional or
  o the industry is not mentioned
and there are categories for all of those options.
• Position levels must add up to the total number of job ads because all ads identify a position.

• Mission explicit + mission implied + not mentioned = total number of job ads. Either the mission is explicit and stated or it is referred to with out being stated and in that case it is implied or there is no mention of mission at all

• Values explicit + values implied + not mentioned = total number of job ads

• Must be at least one entry for language per ad

• Estimated organisational size must add up

• Recruitment agency/organisation must add up.

All the ads are numbered and the numbers correspond to the position number on the left hand side.

2005 is the set that stands out as different. This may be legitimate but I just need it checked.

There may be duplicate ads because they were advertised over a couple of weeks. These need to be watched for and entered only once.

All the ads need to be looked over and the data on recruitment agency or organisation needs to be entered.
Appendix 6

Organisation and Participant Pseudonyms and Characteristics
Organisation and Participant Pseudonyms and Characteristics

Access for All (Group 1, extra large single focus)
Chair Ian
CEO Dexter

Compassion, (Group 1, extra large, multi-focus)
Chair Stewart
CEO Robert

Minds Alive, (Group 1, small sized, single focus)
Chair Neil
CEO Carl

Sustenance Australia, (Group 1, small, single focus)
Chair Don
CEO Rhiannon

Association of Family Care Organisations (AFCO), (Group 2, medium, single focus membership)
Chair Allison
CEO Mark

Focus, (Group 2, extra large, single focus, membership)
Chair David
CEO Thomas

Support Care, (Group 2, extra large, multi-focus)
Chair Benedict
CEO Paul

Woodlands Attainment, (Group 2, large, single focus)
Chair Sue
CEO Matthew

Capacity Builders (Group 3, medium, single focus)
Chair Winifred
CEO Mary

Christian Fellowship Sydney, (Group 3, large, multi focused)
Chair Walter
CEO Desmond

People First (Group 3, medium, membership, single focus)
Chair Fredericka
CEO Doug
Appendix 7

Example of a ‘Forward Thinking’ Recruitment Advertisement
High Profile "Not-for-Profit"
Leadership Role
Circa $120,000 Pkg

'Not-for-profit' organisations have changed - no longer are they staffed by volunteers or seen as second-rate positions. This independent, high profile, non-government organisation has a 40 year history of successfully delivering a range of services to people living with a disability. The opportunity exists to lead this organisation to the next strategic level and build upon an extremely well-developed foundation of fundraising and service delivery.

For a forward thinking leader wanting to gain outstanding job satisfaction in the "not-for-profit" area, this is a truly unique opportunity to develop a learning organisation. This multi-faceted role will see you working and growing the business, cultivating ideas in various forums and interacting with senior level government and private sector 'spheres of influence'.

There will be challenges, but this position will particularly appeal to someone looking to step into a results orientated role and use your leadership, management, business building, networking and fundraising skills in the ongoing development of this organisation.

To apply please forward your application quoting Ref. 1367. Confidential enquiries welcomed by Ian Hamilton or Pauline Todd.

Level 2, 545 Queen Street, Brisbane Qld 4000.
☎️ 07 3221 6288 ☎️ 07 3221 9580 ☏️ apply@ccg.com.au
www.ccg.com.au

CARROLL CONSULTING GROUP
strategic recruiters