

# **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**

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## **CERTIFICATE OF AUTHORSHIP/ORIGINALITY**

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## **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.