MANAGING LARGE COMMUNITY ORGANISATIONS: THE APPROACHES OF SIXTEEN CHIEF EXECUTIVE OFFICERS

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Introduction

Community organisations are the manifestations of efforts by groups of like-minded people to provide a service without seeking personal financial reward or profit. This service might be for others, or for themselves, as with mutual aid or cooperative organisations. They are distinguishable from government agencies and from the more numerous commercial enterprises that are expected to make a profit for their owners or shareholders. Sometimes they are called voluntary, or non-government, or non-profit, or private not-for-profit organisations or clubs or associations.

Community organisations are a small but important part of our society and economy. Estimates of their number vary, from between 20,000 and 100,000. They employ between 3-5% of the workforce and mobilise the equivalent of another 3-4% in voluntary labour (Lyons, 1991).

Community organisations are vital components of many service industries. They are significant providers in the health, community services, housing, education, culture, sport and recreation and finance industries. They are most numerous in the health and community services industries. It is there that the term community organisation is most common and where this class of organisation is spoken of as constituting a community sector.

In terms of the Australian Bureau of Statistics' (ABS) Australian Standard Industry Classification (ASIC), the community sector covers a large part of the "nursing homes", "welfare and charitable homes", "welfare and charitable services" and "community organisations nec" classes within the community services industry division. It is most concentrated within the welfare and charitable homes and services classes.

Even within the community sector there is great diversity. There are many small, but also some large organisations. Of organisations in New South Wales classified by the ABS as constituting the welfare and charitable homes and welfare and charitable services classes, 80% of those that employed people employed less than ten people. However, the ABS estimates that 34 employed over 100 people and of these, five employed more than

1,000 (ABS, 1990). These latter are substantial endeavours by any criteria. There are less than 400 companies in Australia that employ more than 1,000 people.

There is great variety in the ways community organisations are governed. Some organisations are cooperatives; a few are collectives; while some chief executives report directly to ecclesiastic authorities. However, most community organisations have some form of management board. But, once again, the manner by which these boards are elected and the authority they wield vary considerably. The forms of governance used in most community organisations reflect their origins in peoples' commitment to providing a service. Such commitments often engender enthusiasm and community organisations are particularly exposed to pressure from enthusiasts and are more likely than other organisations to experience the turmoil of contending interest.

Community organisations obtain the income they need to operate in a great variety of ways: from membership fees, from public and business donations, from bequests, from interest on investments, from government grants and from the sale of goods and services. Despite the variety of sources, there is rarely enough money to meet the demands for their services.

Many community organisations rely to varying degrees on the work of people voluntarily given. That, after all, was the origin of all of them. For some organisations their only volunteers are their committee or board of management; for others, volunteers are most common in fund raising; for yet others, volunteers are an essential and valued part of their work force. The complexity for their governance, the variety of their funding sources and their dependence on volunteers are often seen as distinguishing community organisations from government agencies and from for-profit firms (Herman and Heimovics, 1989; O'Neill and Young, 1988). To the extent that these factors are present they have the potential to add complexities to the management of community organisations.

Prompted by the recession of the 1970s and peaking in the 1980s, a great deal of attention has come to be focussed on the management of organisations, especially large organisations. Beginning in the private, for-profit sector, a great variety of different approaches to management, management technologies and organisational structures were devised and advocated. Technologies included management by objectives, strategic planning, flatter structures, quality circles, job enrichment, total quality management and the like. A good many of these were fads. In the 1970s, diversification was fashionable and conglomerates all the rage; a decade later companies were told to "stick to their knitting". Overall, the general aim of these reforms was to increase efficiency and productivity and thus return on capital, but also to improve quality and encourage initiative. These reforms soon spread to the public sector which was urged to become more business-like. Because government agencies lack the simple criterion of success that profitability provided a for-profit firm, a greater emphasis was placed on techniques for clarifying purpose and evaluating performance. The last decade has seen a good deal of turmoil in the management of government agencies. What is not so clear is how the management of community organisations has fared over the period.

This paper

This paper reports on the way 16 large community organisations in NSW are managed. It is based on lengthy, semi-structured interviews with their chief executive officers (CEOs). They were interviewed in their offices; on average, interviews ran for about two hours. Interviews were conducted in late 1990 and early 1991. Interviews sought to explore the CEOs' approach to management in general as well as the way they were managing the organisations they currently headed. The questions used to structure the interviews are at Attachment 2.

The study was designed as exploratory. Little is known of Australian managers generally and nothing at all of those in the community sector. Although small community organisations are more numerous, large organisations, those with an annual expenditure in excess of two million dollars and employing at least 50 staff, provide services to a larger number of people and require a more conventional suite of management skills. One of the issues the study seeks to illuminate is whether there are, or are perceived to be, significant differences between managing for-profit firms, government agencies and community organisations.

Because the study was exploratory, no attempt was made to draw a random sample of organisations. At the time the study began, there was insufficient data to delineate a population from which to draw a sample anyway. The organisations chosen were those known to the author to be among the largest of the community sector in NSW. Most of the organisations were those that provided a wide variety of services generally identified as welfare services. Several providing services to people with disabilities were also included along with two working with young people and one providing children's services. With two exceptions, all fall within the ABS welfare and charitable services class. The ABS locates one exception in the community organisations nec class but most people would group it with others in the welfare and charitable services class. The other classes it a religious institution, but it is more popularly known as a welfare organisation and devotes more than half its revenue to that end. A separate project is currently underway to identify the full population of large organisations in the welfare and charitable homes and services classes in NSW. It is almost complete and has identified to 34 organisations with an annual expenditure in excess of $2 million in 1990. This might appear to be less than would be suggested by the ABS data drawn from its Business Register and cited above. That data claimed that there were 34 organisations in those two classes in NSW employing more than 100 people. That level of employment would suggest organisations with expenditure of at least $3 million in staff salaries alone, but only if they were full-time staff. The ABS figures do not distinguish between part-time and full-time staff. Because the Register is only infrequently updated it will include organisations which no longer exist, perhaps because they have been amalgamated with other organisations. The Register in 1990 would certainly report an overestimation. Bearing all this in mind, the 16 organisations whose CEOs are the object of this study could be said to represent a little less than half the large community welfare organisations in NSW. With the exception that they include no overseas aid organisations (in 1990 two large aid organisations had their headquarters in NSW), the organisations and therefore their CEOs are broadly representative of this class of large organisations in NSW. A list of the organisations is at Attachment 1.

This report describes briefly the 16 organisations. It then offers an overview of the CEOs, their careers, their attitudes to some broader social issues and the way they view their management responsibilities. It then goes on to examine some aspects of their approach to their work in greater detail. These sections examine their approaches to managing change, their preference for corporate over strategic management, their approach to human resource management, including their attitude to unions and to volunteers, their attitude to governance and, finally, whether they believe community organisations are different to business or government departments. Where relevant literature is available, an attempt is made to compare attitudes, experiences and approaches to management of these 16 CEOs with those of Australian business executives and senior public servants or non-profit CEOs in the United States and the United Kingdom. These comparisons are not rigorous, but they suggest some interesting differences and similarities that would repay further research.

The 16 organisations

By Australian standards, most of the organisations were old. Only three were less than 50 years old and one of those was a product of an amalgamation of three previously independent Christian denominations. Nine had begun in the 19th century; two of those within 30 years of white settlement. Seven had their origins in Christian denominations. Two had become less popularly identified as Christian although one of these still employed chaplains. Two were churches: one both a denomination and a welfare agency; the other was a city church with a strong welfare mission. Formally, it was part of a larger denomination but its size and its history gave it a good deal of independence from the governance of that large organisation. These two churches were among the four largest organisations and their CEOs had responsibility for the religious as well as for the welfare side of their organisation. The other three denominationally based organisations represented a major (but not the sole) welfare effort of their denomination. In addition, two were responsible for providing chaplaincy services (to goals, etc) and one of these also carried responsibility for the erection of new churches, and the maintenance of churches and clerical housing.

Most of the sixteen organisations offered a variety of services. Only three did not. Of these, one ran pre-schools and child care centres and provided management services to other child care centre operators and two were focussed largely on providing opportunities for the growth and development of young people. Of the others, five provided services such as training, employment and supported accommodation for people with disabilities. One worked with the blind, one the deaf and another with children. A fourth mainly provided supported employment while the fifth and largest provided a wide variety of services to people with intellectual disabilities. The rest operated in the general welfare field, providing services such as emergency relief, supported accommodation, crisis care, family support and counselling, youth services, employment and training services. One also provided child care services, whilst another had begun to provide services to people with disabilities. Several provided services to older people, both in specialised accommodation and home based. They were all generalists but some provided a wider array of services than others. None of the sixteen organisations provided a service that at least one other did not provide. To that extent, they occupied a competitive market, but because there was so much demand for their services there was little sense of competition on the services side. Several were conscious of competing for public donations though.

In size, the 16 organisations varied considerably. The smallest had an expenditure of just under $2 million in 1989/90; the largest spent over $50 million annually on welfare services, but over two states. Two others spent between $30 and $40 million annually and a fifth just under $30 million. Of the rest, four spent between $2 and $10 million and seven between $10 and $20 million. Their total annual expenditure exceeded one quarter of a billion dollars, with a mean of $16 million. Staff numbers employed covered a similarly wide range: from a little over 30 to over 2,000.

All acquired revenue from a variety of sources: from public donations and bequests, from government grants, from the sale of goods and services and from interest on surplus funds or investments. However, the extent of dependence on any one of these services varied considerably.

For three, donations raised by assiduous fund raising were the largest source of income. All three were in the wealthier half of the group. Several other of the large organisations were energetic and well known fundraisers, but donations were exceeded by government grants as a source of revenue. Another, smaller, church organisation received the bulk of its donated funds from parish collections organised by its sponsoring church.

Fundraising was organised in a variety of ways. In several cases, local branches raised some of their funds locally, whilst the head office assisted them and organised major state-wide campaigns. Most large organisations used some form of direct mail solicitation. In two cases, organisations had initiated a network of local clubs to raise funds. These had been established several decades ago and their parent organisations allowed them to operate with a large degree of autonomy whilst conducting their own centralised fundraising. It was this latter which was the major source of their donated income. Several organisations had expanded their income from fundraising considerably during the 1980s. They were all large organisations, with income and expenditure above $10 million annually. Several CEOs of smaller organisations described attempts to expand fundraising. These were unsuccessful and they believed they did not have the initial resources needed to underwrite expanded fundraising effort.

All sixteen organisations received grants from state and/or federal governments. For eight, these grants were the major single source of income. For five of these, it was more than 50% of their income and for one, a church based agency, it was 80%. For another organisation, government grants constituted only 2% of revenue. To a certain extent, the degree of dependence of government was related to the type of service provided: some types of service attract more government support. To an extent though, it was also a product of the relatively recent history of the organisation, of strategies consciously pursued by the organisation. Two, each with a high public profile, nonetheless differed considerably in the proportion of the income received from government. In one case it was just over fifty percent, in the other only eight percent. Both also raised a quarter of their income from the public by way of financial donations, but the organisation that received little government support had as its major purpose the provision of emergency relief and to that end it also sought public donations of clothes and furniture. Some of this was refurbished and passed on to clients, other items sold. The value of goods donated exceeded that of monetary donations. In addition, with clothing that could not be used, and other cloth offcuts, it operated a successful business, converting rags into a variety of cleaning and insulation products. This business provided the organisation 14% of its total income. For one organisation, sales of products manufactured by its disabled clientele was the largest single source of income; for two more, amongst the smallest, the major source of revenue was membership fees and the sales of goods and services.

All organisations had their headquarters in Sydney and all operated from more than one site in that city. Most had centres or branches spread throughout Sydney and further afield. Others, by contrast, operated most of their services from a single site but had several branch sites elsewhere. Ten had centres or branches in Wollongong and Newcastle, cities to the south and north of Sydney. Six of these ranged even more widely across the state and three operate interstate as well. Of these three, one had responsibility for a territory that encompassed two states. The other two had initiated programmes of interstate expansion, in one case "taking over" the management of ailing sister organisations in two other capitals; in the other, by starting branches of the organisation in two other capitals, with a third planned. In the first case, the nomenclature of the body operating in the other capitals differed slightly to the Sydney agency, but in both cases the governance structure placed the intra and interstate endeavours clearly under the control of the Sydney based board and CEO. Given the strength of state and capital city parochialism, these were ambitious moves. Interestingly, these Sydney based organisations were the only ones in the welfare field to attempt to expand interstate.

The organisational arrangements adopted to help the CEOs manage the dispersed activities of their organisations varied. Two were federated organisations where the dispersed centres had a good deal of autonomy, with local advisory boards for each centre or branch. Several other organisations grouped their centres into regions under regional managers who then reported to the CEO (or in one case to a deputy CEO); the others tended to group centres into divisions or programmes and divisional or programme managers reported to the CEO. In one case, where the organisation operated through five sites, the CEO acted as the manager on each site and spent a good deal of time travelling between them. In another case, the managers of each of eleven sites reported directly to the CEO along with two other head office divisional managers. One CEO had the managers of almost 70 branches reporting directly. In all cases, financial management including payroll and purchasing was handled centrally. Thus, while most organisations allow a certain autonomy in most matters to managers of their geographically dispersed centres they ensured they kept a close scrutiny over their finances.

The CEOs and Their Careers

The 16 CEOs interviewed ranged in age from the late 30s to mid 60s. Their average age was about 50. Three were women. Five (all men) were clergy. As a group, the CEOs were well educated. Nine had university degrees; six of those higher degrees. Of the others, only two had no formal post secondary educational qualifications. Only one, however, had formally studied management at university level, although another had a higher degree in economics and five others had participated in short courses in management offered by bodies such as the Australian Institute of Management. Half had regular discussions with their chair or other board members on management issues, while two were engaged in regular discussions with other CEOs. One, a former public servant, said that he had been talking about management issues most of his working life.

All but three had been appointed as CEOs during the 1980s. Four had held their job for less than two years, four of them between two and four years, five for between five and ten years and three for more than ten years. One had been the executive head of his organisation for 30 years (he has since retired). Six had been appointed CEO from outside their organisation. The other ten had had previous experience within their organisation, although in two cases, it had been as a board member. Seven had occupied middle or senior level positions in the state public service before moving to their senior community sector job. Of these, one who had held a senior professional position in a government department left after disagreeing with a change in policy affecting her area. The two who had held the most senior positions in the public service had moved to the community sector not long after the Greiner Liberal government came to office in NSW after a decade of Labor rule. Five, including one who had also been in the public service, had had business experience.

Half of the CEOs could be said to have been employed in community organisations before joining the organisations they now headed. The five clergymen had had parish experience; for two of them this had involved extensive administrative responsibilities. Another had worked as a trade union official whilst the seventh had moved from the commercial sector to his present organisation but had then left it for another similar community organisation and then had returned to his present employ. An eighth had occupied senior positions in another two of the organisations surveyed but had also held senior government appointments as well. Apart from the clergymen, none had worked exclusively in community organisations.

The career paths of these Australian CEOs can be compared with some limited overseas research on career paths of non-profit executives. One United States study found that few non-profit executives planned a career, either in management or in the non-profit sector. Theirs were "accidental careers" (Weaver and Herman, 1991). By contrast, another study suggested that certain professional careers, such as teaching and social work, generally led to management positions. If non-profit organisations were the major employer of these professionals, then a professionals career would be likely to lead to an executive position in a non-profit organisation (DiMaggio, 1987).

The more recent of the United States' studies cited above found that although non-profit executives acquired their positions "accidentally", there were some factors which seem to predispose people towards the non-profit sector. Most of the respondents in that study were likely to have had extensive experience as volunteers in their youth and to report that parents or other close family members were active in church or community affairs. They also reported a strong congruence between their personal values and those of the non-profit sector.

A similar congruence between personal and organisational values was found in a recent study of 28 senior managers in the English community or voluntary sector (Cornforth & Hooker, 1990). They found that the managers they interviewed had sought employment that was congruent with their values and had found that in the voluntary sector. They were motivated far more by the work they were doing than by the (invariably low) salary it paid. Many expressed themselves as being opposed to a conventional career and as anti-business. They strongly favoured the participative or collaborative approaches to management and democratic or collectivist structures and were strongly opposed to hierarchy. However, the study was deliberately biased towards organisations likely to have a strong and distinctive value base and was mostly comprised of church sponsored or feminist organisations. While some were large, many were relatively small in size.

The career paths of CEOs interviewed for this study strongly support the "accidental career" thesis. Apart from the clergymen, none had sought to make their career within community organisations, and for the clergymen, it was more a calling than a career and in a very special type of organisation. Only two CEOs had qualifications similar to those of the professional service staff in their organisation and one of these, a clergyman, had been directed to acquire his qualifications as a long term preparation for the position he now occupied. The other four clergymen had been drawn into management by a discovery that they had a talent for it, rare among their clerical colleagues.

Several initially had sought employment in their organisation in response to advertisements for staff with particular technical skills. The two who had been public servants and had sought their community sector CEO position after a change of government did so in response to newspaper advertisements. Neither had been specifically attracted to the organisation because of the work it did (one spoke of relief in discovering it was not like a stereotypical "charity").

No questions deliberately sought information about the effect of family or previous volunteer experience, but in response to a question about their career and how they came to be working for their organisation, none mentioned family and only three referred to working as volunteers for the organisation they now led: one on the uniformed side of their organisation. For two, volunteer work had first led to service on governing boards; for the third, it led directly to employment.

Nonetheless, despite strong evidence supporting the "accidental career" hypothesis, one factor suggests a certain predisposition towards community organisations. That is the congruence between personal and organisational values noted in both United States and English studies.

When questioned whether or not they thought it important that the CEO share the values of the organisation, all but two answered 'yes'. One denial was from a CEO who considered that running a community organisation was like running a business: anyone successful at business could run a community organisation. That CEO had not had direct experience running a business. The other denial came from a CEO who saw their job as changing their organisation in a way that would empower its consumers. To dramatically change an organisation's culture and practices meant overturning the prevailing values. Reflecting a similar awareness, two others qualified their response by noting that at times the CEO might need to challenge the organisation's values as part of the process of changing it. All but the business-oriented respondent believed that the view currently popular in senior government circles, that a good manager is a good manager whatever the sort of organisation they were running, was profoundly mistaken.

For four of the five clergymen, being CEO of a welfare (or social justice) organisation was an opportunity to bring together "the ministry of the word with the ministry of works" as one of them put it, or "to mix preaching with caring for others and improving their lot" as another commented. At least one of the non-ordained CEOs, a strong Christian, had forsaken business employment to work in a community organisation because such work combined an opportunity for him to continue applying business skills together with a Christian commitment. Two others spoke of the opportunity to put something back into the community; another had the satisfaction of knowing that his successes as CEO were benefiting his clients, not a big boss or a shareholder. Two of the former public servants mentioned that they would not wish to work for business. For them, and another who had forsaken a career in the public service, managing a community organisation provided a continuing sense of working for a "public service".

Unlike the English CEOs noted above, the values of the Australian group did not predispose them to adopt radical forms of organising, although, as will be elaborated below, they were marginally more disposed to adopt participatory forms of management than a group of for-profit sector CEOs.

What is perhaps most interesting about the career path of these CEOs is that 10 of them were promoted to their senior position from within the organisation. In only one case, that of the denomination that was also a welfare agency, was this an essential requirement. This suggests that those responsible for making such appointments, boards or bishops, are constantly seeking continuity. It might help explain a certain disposition to look inwards which is noted and elaborated on below. Equally, it might be a product of the relative scarcity of Australians with senior management experience in community or non-profit organisations.

Some General Attitudes of the CEOs

The orientation of CEOs towards the wider society in which their organisation is enmeshed is important. It indicates the issues he or she will be most sensitive to; the way they will interpret these issues and the likely way they will respond. It was not possible to probe the value patterns of the CEOs interviewed at all thoroughly; indeed, values are best discovered through analysis of actual responses. However, the CEOs were asked to respond to four questions designed to elicit their views on important issues of the day. These were whether there was a bias towards business or workers in the distribution of gross domestic product; whether businesses or unions were the most powerful; whether government had come to intervene too much in economic and social matters and whether the environment movement should have more or less influence. A fifth question touched on the relative influence of the churches. This was a matter of little public debate but likely to be important for almost half the CEOs whose organisations had or had had some connection with organised Christianity. The first three questions were similar to questions asked by Michael Pusey of senior commonwealth public servants, enabling some rough comparisons to be offered between community sector CEOs and those senior public servants (Pusey, 1991).

Almost all CEOs expressed some unease at giving yes/no answers to questions which they found simplistic. Several were unwilling to answer some questions and several others gave highly qualified answers. Predictably, the answers that were given displayed a great diversity in value orientation.

In no cases were there a clear majority in favour of a particular view. On two questions only were as many as eight CEOs agreed on an answer. Thus fifty percent of those interviewed thought the distribution of GDP biased towards business, and another fifty percent (but only five of the previous eight) disagreed that the government intervened too much in economic and social spheres. On the question of whether trade unions had more or less power than business, five thought yes, five no, and five thought it was evenly balanced. One was undecided. Six thought the church had too little influence but two thought it had too much. Seven thought the environment movement had too little influence and six thought too much.

By further oversimplifying, one can classify answers to each question as indicating a general orientation that is either left wing, right wing or balanced. To illustrate: those with a left-wing orientation would see the distribution of GDP biased towards business and business having more power than unions. They would disagree that government intervened too much in economic and social spheres. They would think the environment movement had too little influence and the churches too much. If one were to code each CEOs answer to each question as indicating a left wing or a right wing orientation or a balanced (non-committal) view, and then to sum individual answers to each of the five questions, then seven would fall into the left wing camp and six into the right, while three of the CEOs, giving a combination of left and right wing answers, remain irredeemably balanced. If answers to the questions on the influence of religion is removed, one right wing respondent becomes balanced, two balanced respondents become right and another left, leaving eight with a left orientation and seven looking to the right.

By comparison with the CEOs, the leading commonwealth public servants studied by Michael Pusey were more right wing in their orientation. Pusey attributes much of this bias to the influence of economics, which most right wing oriented public servants had studied. Only one CEO had extensively studied economics and he, too, tended to the right. Of the group of CEOs, the most consistent right wing responses came from those with previous business experience but even then the picture was not conclusive. One of the five with business experience, who had also studied some economics, gave left oriented or balanced answers to all the questions.

The Work of the CEO

All CEOs were happy to talk about their approach to managing their organisation and to offer their views on what constituted good management generally. When read with their answers to questions about what they spent most of their time doing, what they would look for in a successor and what were their successes, failures and problems, it is possible to delineate a particular orientation towards their work, and certain tensions within that orientation as well.

All were acutely conscious of the human dimension of their organisation. Their relationship with their staff, especially their senior managers, was their single most important concern. They were conscious that they were the leaders of their staff. Three even described the CEO as providing the model of behaviours sought in other staff. In describing the characteristics needed of a CEO, some words or phrases were mentioned by as many as five CEOs. They were: leadership, good communication and an ability to delegate or devolve responsibility. Of these, leadership and good communication went hand in hand. Several stressed the importance of having a vision for the organisation and two more spoke of the CEO as the person responsible for articulating its mission. Several identified their failures as arising from their inability to communicate their vision.

Delegation was equally important. Five CEOs spoke of themselves as facilitators, helping their divisional managers take greater responsibility. In speaking of problems and failures, several spoke of the difficulty of persuading their managers to take greater responsibility, or of the demands made on their time solving staff matters which should have been resolved before they reached that. Overall, when identifying their successes and failures and the problems they faced, twelve of the sixteen made some reference to staffing matters.

By contrast with this largely inward orientation, only three described as being among the most important skills of the CEO the ability to "read" the wider environment of the organisation, so as to be able to anticipate future developments. Two others acknowledged that they should be more oriented to the outside environment but confessed that addressing problems thrown up within the organisation consumed most of their time. One spoke of being a firefighter and having no time to plan; another of "continually putting fingers into dykes". One, from one of the smaller organisations, saw this as a consequence of limited resources: the organisation could not afford a middle-management structure that would allow the CEO to scan the environment and plan. The importance of delegating or devolving responsibility, mentioned by five of them, arose from the need to create room for the CEO to engage in more coherent longer term planning.

Three of the clergymen did look outside their organisation, but only as far as the church structure in which it was imbedded. As CEOs they believed they needed to be in touch with wider church politics.

CEOs and the Management of Change

Two of the sixteen CEOs interviewed for this study spoke of themselves as change agents or reformers. All of the organisations changed during the 1980s, some more dramatically than others. They were all conscious of having to manage ongoing changes.

Most of their organisations had grown, some considerably, during the 1980s. In some cases this was the result of taking over other previously independent agencies, in other cases it was the result of a conscious strategy and pursuing revenue growth in order to expand services. One had become smaller as a result of church decisions to split its sponsoring diocese into three. Several had shifted the focus of their services and one had embarked upon a major change in governance. All had reviewed and modernised their management structures and practices.

A majority of CEOs, in one way or another, spoke of themselves as change agents or reformers. But there were two different foci for change. For most, it was the organisation they headed that they were seeking to change. For four, two clergymen and two women, however, it was the world beyond their organisation that was the main focus of their work as change agents. Changing their organisation was for them a means not an end. Two of them, both clergymen, were concerned primarily to attain, through the activities of their staff, a more just society. To a certain extent this entailed advocacy or lobbying work but principally they were referring to the priorities that were set and to the way services were provided by their own organisation. Both emphasised the centrality in their work of helping members of their staff make decisions that were in accord with an understanding of justice. Another CEO saw her organisation as a means of improving the professional standing of the class of services it provided. Like one of the two clergymen, this CEO was educated in and committed to a profession. The fourth had joined her current organisation in order to transform it. She wished to place it firmly under the control of its clients. This CEO's personal mission was to make organisations working for people with disabilities change their mode of operation so as to fully empower their clientele. However, her first task on joining her current organisation, had been to apply rigorous financial controls to prevent it frittering away its reserves.

Six other CEOs described themselves as being agents of change, but their aim was to transform the organisations they now headed, to make them more efficient and effective; responsive to their environment as well as to their clientele. For two of them this meant opening up their organisation, sweeping away past, overly bureaucratic practices and developing a trusting, coherent management team. For two of them, both running church-sponsored agencies, it meant developing a greater coherence in the organisation's activities through planning. For two others, heading smaller, single purpose organisations with strong traditions, it meant educating their boards to recognise changing circumstances and to focus on the organisation's mission.

Although the remaining six CEOs did not emphasise change as a priority, it was clear that three of them had initiated quite significant changes and massive growth in their respective organisations during the decade. Each of these had been CEO for over a decade.

A recent Australian study of the management of organisational change in 13 large service organisations (banks, insurance companies etc) allow a rough comparison between the community and the commercial or for-profit sector.

Dunphy and Stace interviewed CEOs and some senior managers, inviting them to rate the degree of change their organisation was experiencing and the leadership style they used to manage these changes. The scale of change ranged from finetuning or incremental adjustment to large scale discontinuous change. Styles of change management ranged from collaborative to directive and coercive. Dunphy and Stace proposed that these two dimensions of change could be joined together to create four possible change strategies:

Type 1: Incremental adjustment achieved by a collaborative style of change management (participative evolution)

Type 2: Large scale discontinuous change, achieved by collaborative means (charismatic transformation)

Type 3: Incremental adjustment, achieved by coercive or directive means (forced evolution)

Type 4: Large scale discontinuous change, achieved by coercive or directive means (dictatorial or directive transformation) (Dunphy & Stace, 1990)

Their results showed that 51% of senior managers of large commercial organisations fell into Type 4 (or dictatorial or directive transformation); 12% were of Type 2 (charismatic transformation); 20% fell into Type 1 or participative evolution (the traditional organisational development approach) and 16% adopted Type 3, the forced evolution approach. They noted that managers who were not CEOs tended to rate the CEO as more directive than did the CEO. Dunphy and Stace concluded that when faced with a turbulent environment, firm direction (but not coercion) is needed.

The CEOs interviewed for this study were not asked to rate their management styles nor the degree of change their organisation had experienced. However, the interview and other data collected at the time and information possessed by the researcher enabled each of the sixteen CEOs interviewed to be placed into one of Dunphy and Stace's quadrants. This does not directly replicate their methodology, but provides an interesting comparison between for-profit and not-for-profit worlds. Only 38% of non-profit CEOs used Type 4 or directive transformation strategies, while 25% were Type 2 or charismatic transformation style. 25% were Type 1 and 16% of the Type 3 style. Comparisons between the two sets of managers are as shown below.

SCALE OF CHANGE

STYLE OF CHANGE MANAGEMENT

	Incremental	**Transformative**	**Total**
Collaborative	**25%** 20%	**25%** 12%	**50%** 32%
Directive	**13%** 16%	**38%** 52%	**51%** 68%
Total	**38%** 36%	**63%** 64%	**100%** 100%

Note: Figure for community organisations (CEOs) are in bold.

These comparisons show that while the same percentage of community organisations experienced transformative change as did commercial organisations, their CEOs tended more to participative or collaborative management styles (50% to 31%). Nonetheless, as with the commercial sector, a majority of community sector CEOs who decided to or were forced to adopt transformative changes, adopted a directive management style. Nonetheless, it is likely that this predisposition towards collaboration is a consequence of the motivation which attracted the community sector CEOs to that sector originally. It is possible that the organisational transformations which have been wrought on community organisations were not as great as those required for the financial institutions that were the object of the Dunphy and Stace study, which after 1984 faced a deregulated and thus far more competitive market place. Nonetheless, the changes wrought in many community organisations from having to absorb previously independent bodies, to changes in governance, to diversification of activities or revenue sources, have been considerable. By and large, they seem to have handled these changes better than the institutions that were the object of the Dunphy/Stace study, and to have done so in a more collaborative manner.

Corporate versus Strategic Management

Both these terms are widely and loosely used. The difference is basically one of emphasis. The emphasis in corporate management is on achieving a degree of coherence, a singular sense of purpose, between the various components of a large organisation. It is particularly advocated as a means of providing greater control for the central management of a geographically dispersed or functionally complex organisation.

The emphasis in strategic management is on ensuring that the organisation is in a coherent relationship with its environment. It is about having a clear organisational purpose or mission but also about reading the organisation's environment to anticipate changes and to ensure that the organisation will continue to pursue its purpose efficiently and effectively. Strategic management is closely related to planning, but planning that recognises that the organisation's environment is likely to be competitive and fast changing.
The virtues of strategic management for community or non-profit organisations are frequently propounded (Bryson, 1988; Koteen, 1989).

Frequently corporate or strategic management is seen as requiring the employment of consultants to develop corporate or strategic plans. The job of management is to see that these are then followed. Frequently though, plans are soon forgotten, particularly if other levels of management have little involvement in their development.

One of the questions asked the CEOs interviewed for this study concerned corporate or strategic planning. Several other questions, including one asking them to identify future challenges provided further information to illuminate, whether they adopted a corporate or strategic approach to management.

Planning, whether corporate or strategic, was very popular. Seven CEOs claimed to have a corporate plan in place, two to have a strategic plan while five were in the process of developing strategic plans. In at least four cases, plans, or the process of developing plans had been initiated by the CEO not long after taking up their positions. Planning was, in effect, a way of taking hold of their new organisation and placing their own mark upon it.

Only two of the CEOs, both clergymen, claimed not to have any form of corporate or strategic plan. One expressed scepticism about their value ("it's preparation consumes more time than it's worth"); the other had encouraged a strategic planning exercise some six years earlier, after taking charge of the organisation and seeking to reorient it. Since then the organisation had experienced a number of significant changes and further clarification and articulation of its mission. In these developments, formal strategic planning had not been used. Both these CEOs viewed their organisation as a means to achieve some wider social change.

None of the CEOs drew a clear distinction between corporate or strategic planning. Not even those who had or claimed to be developing strategic plans, made any specific reference to the more outward or environment oriented aspect of strategic planning. The great majority seemed far more concerned with getting the various bits of their organisation working together and committed to the organisation's mission than with making their organisation more sensitive and readily adaptive to its changing environment. They were thus more corporate than strategic in their orientation.

Another technique, frequently introduced in tandem with corporate planning and management is cost-centre budgeting or its more sophisticated derivative, programme budgeting. The CEOs of eleven of the sixteen organisations reported some form of cost-centre accounting and budgeting in place. Four of these described it as programme budgeting although only one of these described the system they had in place as being related to the objectives set out in their strategic plan. A fifth, more precise, said that whilst he used cost-centre budgeting, it could not be called programme budgeting as that required the identification of outcome measures which was an impossible task with the complex services his organisation provided, most of which would demonstrate their effect only in decades to come. The remaining five CEOs indicated that they had almost completed the introduction of some form of cost-centre or responsibility budgeting and accounting.

In introducing these changes, the CEOs of large community organisations were following the lead of large for-profit corporations. They were changes that were an essential part of developing a coherent corporate focus for often quite desperate organisations, but in such a way as to encourage, even require, responsibility and initiative from unit or cost centre managers.

Although an equal number claim to have or to be developing strategic plans as corporate plans, their answers to other questions left a clear impression that most CEOs were more inward than outward looking. Overall, the CEOs seemed more concerned with achieving coherence within the different parts of the organisation and encouraging their managers to take greater responsibility then with reading their environment and seeking to align their organisation with it.

Even when asked to identify three or four major issues that faced their organisation or their service sector of which it was a part over the next five years, half of the issues they identified were focussed on their own organisations rather than its environment.

Two CEOs spoke of the challenge of continuing the process of organisational change that they had begun. Three spoke of the importance and difficulties of finding a successor, although the phrasing of a much earlier question had perhaps alerted them to this issue. Two CEOs spoke of the difficulty of attracting skilled staff, and, in a related theme, spoke of the need for their organisation to become more professional in its service provision. In a similar mode, two more identified the need to better ensure that their services were meeting their clients needs. Three of the five clergymen CEOs mentioned the challenge of retaining a spiritual or social justice dimension to their organisation's work. One, however, also spoke of the need to ensure that government policy was more in accord with social justice. Another was more concerned by the conservatism of their sponsoring church.

For those that clearly identified factors in the external environment, two issues were dominant: resources and government policy. Five were concerned with whether there would be sufficient resources to enable their organisation to keep operating. In this context, two referred to the recession Australia was experiencing and to the gloomy prognostications for its future economic health. Two spoke of the challenge of expanding to reach the large number of potential clients who needed but were unable to access their services. This clearly had resource implications though they did not avert to them.

Four CEOs identified government policy as a worry in the future. Two were concerned about the extent of government reforms in the disability area; a third feared that government reforms in this area would not go far enough. Another was worried by what seemed a trend towards government withdrawal from the welfare field. Interestingly, that CEO's organisation depended very little on the government for subsidies. He feared rather that cuts in government services would place greater demands on his own organisation's resources. Two others averted to the need to develop a capacity for environmental scanning.

Along with the question about future issues, three other questions invited answers which provide an indication about whether the CEOs attention was focussed on the external environment and his/her organisation's relation with it, or on matters on internal or corporate management. These were questions which asked them to nominate a success, a failure and a problem that they currently faced. Their answers to all four questions were rated according to whether they indicated an internal or external orientation. Some identified several problems but the orientation of the majority of these problems was used to rate their answer as internally or externally oriented. The first two replies to the future issues questioned were used and rated internal or external. The nature of that question built a bias towards externally oriented answers. In three cases the CEOs of church organisations made reference to problems facing their church. These were rated internal as they clearly referred to the church as the sponsor of their organisation and were thus more tied with questions of governance than the impact of external changes. Not every CEO answered all the questions. One said he did not dwell on failures; another that he did not think in terms of problems. He said his failure was in not taking enough risks, a classic entrepreneurial response.

When the ratings were summed, only four of the CEOs scored more externally than internally oriented answers. Three of these were CEOs of three of the four organisations which had expanded to the greatest extent in the 1980s. They had achieved the greatest increases in revenue. This came from several sources, but all three were amongst the top third in income obtained from public fundraising. They were all confident in their position as CEO and clearly entrepreneurial. By contrast the fourth professed that his organisation was in a precarious position financially. It was he that had professed to being most like a business CEO: his largest single source of income was from the sale of services and products in the open market. He had been CEO for five years; the other three had all been CEOs for over twelve years. The average length of time the remaining CEOs had occupied their position was a little over three years. This suggests that the preoccupation with internal management issues by the majority of the CEOs may be a product of their relative newness in their position. They were still feeling their way in their organisation.

This inward looking orientation of the CEOs was noted earlier, while discussing the work of the CEOs. It would appear to stand in marked contrast with the orientation of non-profit CEOs in the United States. Herman and Heimovics conducted an interesting study of CEOs of 45 non-profit organisations in Kansas City, Missouri, mostly operating in the human services field. Their CEOs were asked to nominate and describe two events with which they had been associated, one with a successful and one with an unsuccessful outcome. The results show an interesting pattern. The most frequently mentioned events were the development or the decline of a programme. After that came fundraising, lobbying and relations with government officials and events associated with relations with their boards. Herman and Heimovics use a sophisticated analysis to argue that the majority of events were associated with responding to uncertainty in the external environment, generated by the cuts in federal government subsidies to non-profit organisations made by the Reagan administration (Herman and Heimovics, 1989: 130).

By contrast, when the CEOs interviewed for this study were asked to identify a particular success or a particular failure and their actions which might have contributed to these outcomes, they mostly spoke about events occurring within their organisations. They spoke of successes, and failures in communicating a vision or motivating staff; they spoke of successes in bringing their organisation together and of being able to persuade their managers to take responsibility - or of not being able to achieve this. Several mentioned their successes or failures in addressing financial problems, but mostly in terms of exercising budget control, rather than discovering new sources of revenue. One was proud of changing government policy towards the governance of his organisation, but overall their predominant focus was internal. In part, this difference between the emphasis in Sydney and Kansas City CEOs may be a product of different phrasing and different interpretations by them of the questions. However, in so far as it identifies a real difference, it probably reflects a somewhat more stable and supportive government policy and fundraising environment during the 1980s in Australia. Australian governments by and large increased the volume of their grants to community organisations during the 1980s, unlike the large reductions in federal grants experienced in the United States (Abrahamson and Salamon, 1986).

However, the difference in emphasis might also reflect a lack of consciousness of the external environment on the part of the Australian CEOs which might create problems for them and the organisations in the future. It might also reflect the more recent recognition in Australia that large community or non-profit organisations need to be as well managed as commercial (or government) organisations. This recognition is probably not much more than a decade old here and most organisations are, understandably, still at the stage of putting their internal affairs in order before they move to the more sophisticated strategic form of management. However, while the relative lack of concern by CEOs with their external environment may be the product of a relatively benign environment and a relatively early stage in the development of a community management culture, it does, nonetheless, suggest a certain limitation in the management of our largest community welfare organisations. The changing composition of the workforce, the recession and record levels of unemployment along with wide acceptance of a changed and reduced role for government all suggest that the environment of community welfare organisations is already somewhat turbulent, and requiring a high level of scrutiny. Research in the United States by Melissa Stone is interesting in this regard. She found that non-profit organisations were likely to engage in strategic planning in an environment where peak councils and government agencies encouraged and facilitated such an approach (Stone, 1990). It was also more likely to occur in organisations with well understood missions, clear structures for decision making and boards which concentrated on high level "policy" issues (Stone, 1991).

Managing Staff and Volunteers

For most of the CEOs in this study, the values which dispose them towards the community sector, also dispose them to give a high priority to their staff, or human resource management.

The emphasis which most of them placed on encouraging initiative and responsibility among their immediate subordinates has already been noted. Not surprisingly, several CEOs mentioned the importance of team building. At least ten of the sixteen CEOs met regularly (fortnightly or monthly) with those managers who reported directly to them. In one other case this was not possible because a very flat organisational structure meant that over 70 widely dispersed branch heads reported directly to her. All CEOs spoke of meeting frequently (but not always regularly) with their managers on an individual basis. In the case of two of the clergymen CEOs, these meetings sometimes had a pastorial dimension; the CEOs spoke of helping their senior staff develop a full appreciation of the social justice dimensions of their work.

Those CEOs with dispersed establishments made strenuous efforts to visit those establishments two or three times per year. Another had initiated half yearly meetings with all staff. Several of the large organisations had staff newsletters or a regular mailout of information to all staff. Although several organisations were churches or church-sponsored, only one CEO spoke of applying a religious test in recruitment and this was an unusual one. The organisation did not restrict itself to recruiting staff from members of its own denomination, but did require of all staff that they be actively involved in whatever denomination they adhered to. In another case, all senior managers were ordained members of their denomination.

Formal and regular staff appraisal is a management device that is a logical co-relative of corporate planning. Corporate planning sets objectives for the organisation and each unit of the organisation has subordinate objectives that are a component of the higher level objective. Within that structure, staff are expected to be outcome or target oriented. Formalised performance appraisal establishes regular reviews whereby the CEO meets with each of his/her immediate subordinates and together they appraise the subordinates performance over the intervening period and establish goals for the next period. The subordinates then appraise those who work directly to them and so on. Such a formal appraisal measure was introduced for senior managers into the NSW public service in the late 1980s.

Six CEOs reported regular and comprehensive staff appraisal systems in place within their organisations; another four were in the process of introducing such a system while another one was "looking at it".

Five said they had "informal" appraisal systems in operation. Only one denied having any form of staff appraisal system in place, but even informal staff appraisal would not easily fit that CEOs flat, multi-branch structured organisations. One of those (a clergyman) who had a staff appraisal system in place noted that it was designed to help staff identify their strengths and weaknesses in order to develop their former and eliminate their latter. It was not about setting performance objectives. One of those who was introducing a more conventional appraisal system for head office staff noted that staff appraisal in the branches of their organisation had a strong staff development orientation. This flowed from the profession to which they belonged.

One important issue which the managers of community sector organisations have had to come to terms with over the past three or four years is a growing interest by trades unions in the sector. This had meant unions taking a greater interest in compliance with award conditions where they exist and, recently, to the creation of an award to cover large numbers of community welfare workers in occupations which had previously been award free. Another union is seeking an award for people with disabilities working in sheltered employment. These changes have been referred to by some as constituting the industrialisation of the community sector.

None of the CEOs nominated this development as a major issue, though one nominated renegotiation of industrial conditions for their workforce which was already largely covered by awards, as a major achievement. Another indicated disappointment that he had not been able to persuade his colleagues in other large community welfare organisations to strongly oppose the new welfare workers awards. That CEO believed that staff who worked in his organisation should be prepared to work for less than award rates. He thought unions were not appropriate in the community welfare field. By contrast, two large church-based agencies emphasised that their staff were employed under award conditions. Where there was no award, they adopted the most appropriate award from an adjacent field. They claimed to encourage their staff to belong to their relevant union or professional association. Only two organisations, however, deducted union dues from employees pay. Another church-based organisation went further than award requirement in recognising skills learnt on the job as a basis for promotion rather than sticking to the attainment of formal qualifications.

In all, nine CEOs claimed to adopt award conditions while another three said that about half their employees worked under awards. Four claimed there were no awards applying in their field of operation. Only two claimed that any more than a few of their staff belonged to a trade union.

One of the distinguising characteristics of community organisations is their generally heavy reliance on volunteers. The sixteen CEOs interviewed displayed a considerable diversity in their approach to the use of volunteers. Only seven, less than half the CEOs, were enthusiastic users of volunteers. One of them headed an organisation that was entirely dependent on volunteers for its services. The CEO of another organisation used volunteers to manage its many branches, but would have preferred not to have to rely on volunteer (and elected) managers. Another organisation also relied on volunteers for branch management, but also used them for local fundraising. Volunteer recruitment and training was left to the branches. The remaining five organisations which used volunteers extensively did so for fundraising and for the provision of services. They had volunteer co-ordinators and were committed to extensive training and support for their volunteers. In several cases, new volunteers and paid employees were given the same orientation courses. The CEOs stressed that volunteers were treated as equally valuable to the organisation as paid staff (although two acknowledged that there had been occasional difficulties between paid staff and volunteers in the past, but that these had been overcome). Four other CEOs used few volunteers, although in one case, the organisation was proposing to expand their use of volunteers.

Four other organisations did not use volunteers at all. In one case, it was claimed that it was difficult to arrange insurance cover for volunteers. As well, the organisation preferred to have professionally qualified staff providing its services. A mismatch between using volunteers and having a professional image and providing high quality services was the reason proffered by two other CEOs for not using volunteers. One of them, a clergyman, went further and claimed that it would be unjust to use anything but fully qualified professional staff to provide services to the often extensively disadvantaged clientele of his organisation. The fourth CEO to oppose volunteer use had a similar rationale. Using volunteers did not fit with a mission to provide the highest quality services to that organisations clientele.

Governance and CEO/Board Relations

The study by Melissa Stone, cited above in the discussion of corporate and strategic management, is not alone in drawing attention to the importance for community or non-profit organisations of governing boards. A recent review of the non-profit literature which sought to identify the attributes of excellent non-profit organisations found four such attributes. One was the existence of a committed board that related dynamically to the CEO and provided a bridge to the wider community (Knauft et al, 1991).

The conventional wisdom about board/CEO relations is that the board sets policy while the CEO executes it. Researchers have pointed out that this is an unrealistic view (Middleton, 1987). As a result of recent research, the conventional view of board/CEO relations is being replaced by the proposition that the board and CEO must work in partnership. The American management writer, Peter Drucker, has argued that the relationship should be collegial but that, in the final analysis, it is the CEO who should be responsible for the effective governance of the organisation (Drucker, 1990).

Herman and Heimovics also argue that the CEO is the central person in a non-profit organisation. Nonetheless, most effective non-profit organisations are those where the board and CEO work in partnership and where the CEO accepts as a major responsibility the construction and maintenance of effective board relationships (Herman and Heimovics, 1991). In their study of critical incidents cited above, they note that those CEOs rated by their peers as the most effective, tended to work with their boards in handling critical incidents, particularly those that entailed a response to changing external circumstances (Herman and Heimovics, 1989).

Overall, with two exceptions, the Australian CEOs had good relations with their boards. The Australian legal position is not dissimilar to the United States. Boards are supposed to govern the organisation. Conventionally, this is taken to mean that boards determine policy which is then implemented by the CEO. The Australian reality, again like that in the United States, is that CEOs are mostly seen as the leaders of their organisations. Their boards are there for advice and as a resource. But Australian CEOs do not seem to follow the new United States wisdom, which is to work in active partnership with their boards as collective entities. Their less active and dynamic relationship appears congruent with their emphasis on internal organisational rather than wider environmental issues, already noted. It also reflects the total absence of any literature or discussion about the role of community or non-profit boards in Australia.

Finally, and most importantly, the governance arrangements of these Australian organisations display a greater variety than is described in the United States literature. This is particularly true of church sponsored organisations.

All sixteen organisations had some form of legal personality or corporate identity, but the way this was acquired varied. Six were incorporated under their own Act of Parliament, six were incorporated under the Companies Act as non-profit companies limited by guarantee and four were established as or by religious denominations. Of these, one was protected by its own Act of Parliament, the other three received their corporate identity from their sponsoring denominations and were protected by the Acts of Parliament which protected the parent denomination.

The structures for governing the sixteen organisations also showed a good deal of variety. The CEOs of all but two were responsible to a board. Of those that were not, one was a church in its own right, the other a church agency where the CEO was responsible to his bishop. In the latter case, the CEO had established an advisory group; in the former, a group of experienced and influential businessmen, not members of the denomination, advised on fundraising and the management of property and investments. Two boards had a majority elected by higher church boards (or synods), members of the rest were elected by members of the organisation, but who these were and how many, and what percentage chose to vote was a source of great variation. In all cases, a percentage of the board retired each year and could be re-elected by members attending an annual general meeting. In five cases, reflecting a nineteenth century view of philanthropy, anyone who donated or subscribed to the organisation were defined as members. Few subscribers realised the privilege their giving bestowed. Most organisations had begun at a single site and subsequently expanded. As a consequence, their branches and centres were clearly controlled by the centre. Two, however, were federations of previously independent or semi-independent local groups. Local branches or units still have their own management or advisory boards with some limited authority. This inevitably reduced the authority of their management board. Branches of each organisation nominated one member each to a council which in turn elected the central management board. Interestingly, it was only the CEOs of these two organisations who spoke of the CEO's job as being in part to ensure that rules and laws were followed. They had both to ensure consistency in their own behaviour but also needed to invoke the civil law and their own organisational rules as a means to curb the tendency to independent action of their branches. Very recently, in one of these organisations, it appeared that the branches might reassert their independence and dissolve central management unit.

Two of the disability organisations had made special efforts to ensure users of their services were represented on their board. One was moving towards a majority membership; another, which had been established by a group of disabled people, was required by its constitution to have a majority of people with disabilities on its board.

At least two organisations had unusual governance structure. One organisation was responsible for a major public hospital as well as for an extensive array of community services. Its board had established two committees to act as management boards in these two quite different areas of its work. Each had its own CEO. Only the community services side of the organisation is reported here. That organisation has subsequently handed responsibility for the hospital to the state government. In one organisation, one that relied heavily on uniform volunteers, a board established by an act of the NSW parliament had a responsibility for the organisation's properties and administration. This looked after the non-uniform side of the organisation. Policy was determined by a national council of uniformed volunteers and was applied within each state by a uniformed (voluntary) commissioner.

In only two cases had there been much turnover of board members during the incumbency of the current CEOs. In only two cases did the CEO report any difficulty in working with the boards. One of these was one of the federated organisations; in the other, the CEO had set out radically to change the organisation, including the composition of the board. In all other cases, relationships were described as good and in several cases the CEO admitted to having a significant say in who was elected to their board.

In all but three boards, the majority of members were businessmen or members of the accounting or legal profession. Members came to boards via act of membership in the sponsoring church or through business ties with others on a board. Only where boards were elected by large constituencies of users where rules required significant consumer representation on the board, was the number of board members without a business background likely to be a majority.

There is a good deal of variation in the relationship of CEOs to their boards and in the degree of attention they paid to this relationship. At one extreme two CEOs described their board as their employer. They spoke of having to negotiate changes that they believed necessary with their board.

Several CEOs spoke, without prompting, of the importance of keeping their board informed, of keeping them "on-side" or keeping them "impressed". Their boards were used as places to test proposals, as "sounding boards" (pun avoidable). One CEO said frankly that if his board rejected a proposal he knew that he had more work to do on it. The same CEO used two men with a great deal of experience and commitment to his church as mentors, meeting with them weekly to review his own progress over the past week and his thoughts and plans for the future.

Others seemed less conscious of their boards. Two CEOs expressed relief that since their boards were comprised of experienced businessmen, who understood the distinction between policy and administration, they did not try to interfere with the running of the organisation. Another noted that the board took a close interest in financial matters but applied only probing but supportive questioning on other matters. Nonetheless, they and others noted that individual members of their board were valuable sources of professional advice on particular matters and, in some cases, on management generally. Half the CEOs of organisations with conventional boards commented that they had at least weekly contact with their chairpersons.

The practice of using qualified board members for professional advice was not universal. Three CEOs deliberately avoided it, one claiming that it was prohibited under companies legislation. On the other hand, two other CEOs of quite large organisations were frank in stating that membership of their board entailed an obligation to give fully of the board member's expertise. This also meant utilising their company's or partnership's expertise. Interestingly, only one CEO followed a common North American habit of referring to his board as volunteers. In no case, contrary to another common North American practice, were board members expected to be significant donors or fund raisers. Several were, however.

At the other extreme, one CEO who did not have a board, claimed that the board/CEO model of governance, while appropriate for commercial organisations, did not fit community organisations. That CEO believed that committed professional service providers were a better guarantee that services were properly responsive to their consumers that an assumption that a board could represent the interests of that most important group of stakeholders.

That comment raises the issue of the purpose of boards. For some CEOs they were there individually or collectively as advisers; for two CEOs they were vehicles for signifying and substantively ensuring that the organisation was run by and thus for its consumers. They were the two CEOs managing organisations providing services for people with disabilities which either had a majority of the particular disability group on their board or were moving to do so. Just who clients were however, was not always undisputed. One of the other disability service organisations was governed by a board consisting of parents or siblings of those who received their services. The CEO of that organisation considered that they were the primary stakeholders in that organisation.

Are Community Organisations Different to Government Agencies or Business?

Along with the variety of their revenue sources and their extensive use of volunteers, the complexity of their governance is frequently seen as one of three factors that distinguish community or non-profit organisations from for-profit and government bodies (O'Neill and Young, 1988).

The CEOs interviewed for this study were invited to indicate whether they thought that running a middle-sized to large community organisation was different to running a business or a government agency of similar size. Nine CEOs agreed. Mostly they referred to the special features of the governance of their organisation to explain what was different, although two referred to their special relationship with their consumers, and another to the overriding need for the CEO to provide moral leadership. One noted that the people community organisations served were not the same people for whom they raised their funds. Community organisations could not rely therefore on their level of income as a measure of whether their services were meeting their clients' needs as could a business in a conventional market relationship with their consumers. Moreover, community organisations therefore ran the risk of using their fundraising as the criteria of their success instead of focussing on the satisfaction of their clients. Of the nine CEOs who believed community organisations were unique, most were clergymen. However, three also had business experience and one had worked in government.

Six CEOs thought that running a community organisation was basically the same as running a business. It was a matter of keeping the organisation clear about its purpose, keeping revenue coming in and expenditure under control and winning the highest commitment from staff. Of these respondents, though, only two had had previous experience in business; the remaining four had been employed in government positions (though only one of these had held a senior management in government). Only one CEO, previously a senior public servant, considered that running a community organisation was similar to running a government agency. For him, the CEO of either type of organisation had to satisfy a large number of stakeholders.

Conclusion

In general, the large community organisations that were the object of this study are well governed and well managed. It is likely that such a generalisation will apply to other large community organisations. The CEOs are competent managers; most are able to draw on experience in government and business as well as in the community sector.

All sixteen organisations had introduced, or were in the process of introducing, contemporary management techniques designed to devolve authority while retaining and strengthening their organisation's sense of mission and of top management's capacity to monitor the activities of the organisations various components.

All the CEOs were drawn to work in community organisations by a desire to find employment congruent with their personal values. Most placed as much emphasis on their role as leader as on their role as manager. Several saw the good functioning of their organisation not as an end in itself but as a means of achieving a wider purpose or mission.

All organisations had experienced significant changes during the 1980s. In managing these changes their CEOs were more disposed to adopt participatory forms of management than the CEOs of large commercial organisations. They are preoccupied with the internal functioning of the organisation and spend less time on external relations than non-profit CEOs in the United States. Several perceived that this was a problem and would like to devote more attention to the strategic element of management. This inward looking orientation may be a product of the relatively short time that most have held their positions. Nonetheless, given the increasing challenging environment faced by the community sector, it may harbour problems for the future.

The study was an exploratory one. It may be that more systematic research and a wider sample of large organisations would paint a different picture, but that is not likely. Several issues could stand further enquiry.

A more extended historical investigation that looked at the performance of the organisations over the past 20-25 years and related this to characteristics of the CEO, board, their relations with each other and with the wider environment, together with the use or non-use of various planning technologies, would be valuable. Detailed case studies of changes experienced by many of these organisations would significantly illuminate our understanding of the sector. In such studies, the way relationships with government are constructed and conducted, by both sides, would deserve special attention.

Relations between the CEO and the next level of management and between the CEO and his/her board also deserve closer attention. These organisations display a variety of governance structures and whether some of these are more or less helpful to the effective functioning of the organisation would repay study. Such a study would need to distinguish between effects that are a consequence of structure and those that were more the product of personalities. Such a study should encompass a sample drawn from community sector organisations of all sizes. It would also be instructive to compare the governance and management of organisations from the community (welfare) sector with that of non-profits from other industries such as education, health, the arts and sport and recreation.

This study demonstrated that managing a large non-profit or community organisation requires a special suit of skills. We need studies of all aspects of these skills and opportunities for those engaged in management to comment on and refine them. The special characteristics of community management need greater recognition.

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Attachment 1

List of Organisations Whose CEOs Were Interviewed

ACCESS Industries

Anglican Home Mission Society

Community Services, Benevolent Society of NSW

Centacare

Challenge Foundation

Deaf Society of NSW

Kindergarten Union of NSW

Royal Blind Society

Royal NSW Institute for Deaf and Blind Children

Salvation Army, Eastern Territory

Sydney City Mission

Scout Association of Australia, NSW Branch

Smith Family

Uniting Church Board for Social Responsibility

Wesley Central Mission

YMCA

Attachment 2

MANAGERS OF LARGE COMMUNITY ORGANISATIONS PROJECT

Interview Schedule

1. Introduce myself.

2. Seek details about organisation:

   (a) for how long has it been operating?
   (b) what are the main things it does?
   (c) the number of its staff (f-t/p-t/v)
   (d) the number of people it serves (if relevant)
   (e) its income - preferably by source over the last couple of years or its expenditure (much of this might be obtained from annual report; if so the questions do not need to be pursued in the interview).

3. (a) How is the organisation governed? Are you responsible to a Board or some other authority?
   (b) Do you find that relationship a difficult or an easy one: is that authority compliant, supportive or directive?

4. (a) What are your main sources of finance?
   (b) Is it difficult to get the funds needed for this organisation to run successfully?
   (c) Whose job is it to ensure that the money is there?

5. (a) Are your staff covered by industrial awards or agreements?
   (b) Do any staff belong to a trade union? Which?

6. (a) Do you rely heavily on volunteers?
   (b) Are they hard to fund?
   (c) Are there difficulties between them and other staff?
   (d) Whose job is it to recruit, train, manage your volunteers?

7. (a) How long have you had this job?
   (b) What job have you had before this one?
   (c) What professional qualifications do you hold?
   (d) Have you ever formally studied management/administration - when?

   (e) Are you a regular participant in any formal or informal group where management issues are often discussed?
   (f) Are any Board members a source of (helpful) management advice?

Now follows a few sample questions designed to elicit your views on some of the main issues facing Australia today.

8. In Australia today, would you say that the distribution of Gross Domestic Product (GDP) is

(a) biased towards wage and salary earners
(b) balanced
(c) biased towards capital (business)
(d) no answer

9. In general, would you say that trade unions have:

(a) less power than business
(b) both are more or less balanced
(c) more power than business
(d) no answer

10. Some people believe that government, or the state, has come to intervene too much in economic and social spheres. Do you

(a) Agree
(b) Disagree
(c) Some other answer

11. In Australia today do you consider that the churches have

(a) Too much power
(b) Too little power
(c) About right?

12. In Australia today, do you consider that the environment movement has

(a) Too much power
(b) Too little power
(c) About right

Now on to your role here as CEO

13. (a) How did you come to be working here?
(b) What is it that attracts you to this organisation?

14. (a) How would you describe the fundamental values or guiding principles of this organisation?
(b) Do you share these values?
(c) Do you think it is important that the CEO shares the values of the organisation he/she manages?

15. (a) You are the senior member in this organisation, how do you see your job? i.e. what are its main features/characteristics/tasks that it involves
(b) follow up - what do you seem to spend most of your time doing?

16. About managing generally

(a) What do you think is the most important quality that a manager should have?
(b) What is the most important lesson you have learnt about management?

17. (a) What sort of knowledge and skills or abilities are most needed to do this job?
    (b) follow up - if you were grooming someone to take over from you, what would you want to ensure they knew about/were good at doing?

18. Do you think managing a community or non profit organisation (as this is) is different to managing or running a government agency or a company? In what ways?

    - possible points: the difference is often said to be in the complexity of governance, in the great variety of sources of finance and in the extensive use of volunteers.

19. (a) Do you have programme budgeting in this organisation? - if so, what led you to adopt it?
    (b) Do you have a corporate plan or a strategic plan? - if so, what led you to adopt it?
    (c) Do you attempt to evaluate or appraise the performance of your senior staff programme or branches? - if so, what techniques do you use, and what led you to adopt them?

20. Can you tell me about a particular success you have had and what you did to make it a success?

21. What about a particular failure you have had - why you now think it failed - ie, what lessons have you learnt from it?

22. Can you tell me about a typical problem that confronts you as manager of this organisation and about what you did to address that problem.

23. What are three or four major issues that face this organisation or the industry or service sector of which it is a part over the next two or three years?