

Contrary and Congruent Views of Leadership and Management in the Australian Social Economy

A research project by



seen

Perpetual 

"The 21st Century will be the century of the social sector organisation. The more economy, money and information become global, the more community will matter. And only the social sector nonprofit organisation performs in the community, exploits its opportunities, mobilizes its local resources, [and] solves its problems. *The leadership, competence, and management of the social sector nonprofit organization will thus largely determine the values, vision, the cohesion and performance of 21st Century Society.*"

Peter F Drucker, Drucker Foundation 1999

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Via this report we introduce the concept of "open source research". This idea parallels the very successful open source movement in the software industry exemplified by Linux, Firefox and thousands of other valuable projects. A core element of the open source movement¹ is a license that forces derivative works to be as free as the material on which it is based. In this way, intellectual property can enjoy total freedom, maximising its opportunity to be used and improved. Academia has a long tradition in this vein. The difference here is the legal framework that requires derivative work to be shared publicly and for free.

Note

The data and evidence were collected in this study during the period July – October 2007. Since then conditions may have changed. Hence, interpretations provided in this report may also have changed in the interim and in the period of dissemination and discussion about the outcomes of the study. The reader is referred to the archives for further verification of both data and interpretations. These preliminary findings are shared in the spirit of action learning and collaboration, an organising theme in the conduct of the research. Your constructive criticism either with the team via email or via the SEEEN discussion forums (www.seeen.org.au) is welcome.

¹ For an overview and introduction see the wikipedia entry at http://en.wikipedia.org/wiki/Open_source.
More information and resources are available at <http://www.gnu.org/>

Chapter 9: Other survey highlights

This chapter provides a broad overview of the key issues⁹⁵ identified from the two online surveys. The nature of the study is to explore difference in views, whether they are contrary or congruent, and we aimed to test this across the three major sectors: for-profit/business, government and Social Economy.

From the surveys a number of interesting findings have emerged. In combination with the written responses these findings shaped the design of the focus group and Thought Leadership Forum discussions.

9.1. The Key Issues

Our analysis began with a helicopter view of what survey respondents' views of the relative importance of Key Issues in the Social Economy, issues that impact on their leadership and management⁹⁶. In this regard we asked respondents to identify the top five issues facing the Social Economy in Australia. The results of this first question are shown in Figure 8.1 below.

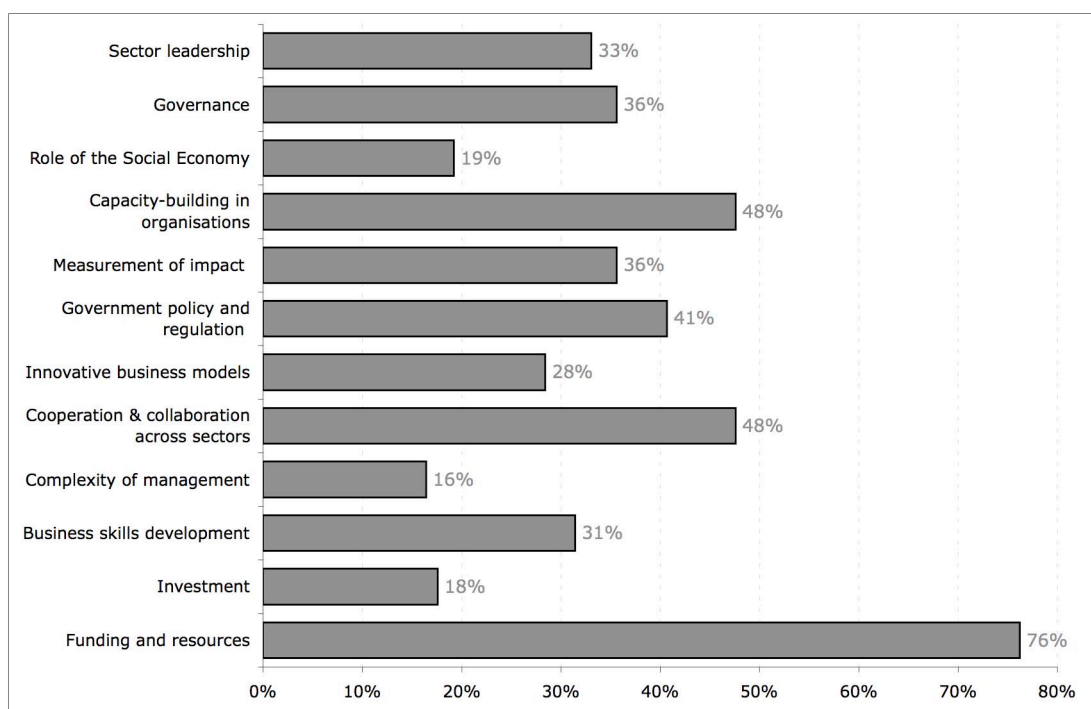


Figure 1: Priority of Importance Associated with Key Issues for the Total Population of Respondents

⁹⁵ Key Issues were intended to structure the enquiry not in a rigid sense but as a means to stimulate participants' views on the range of core matters affecting leadership and management. Key issues were ideas to be tested in the research, to act as a design for the enquiry, and to foreshadow what participants think or might think.

⁹⁶ In many ways the Key Issues also reflected the dimensions of practice and the areas where leaders and managers would exercise and need certain capabilities if they were to be effective and increase impact of their programs.

A pattern in the responses is clear.

- The total population of respondents decidedly opted for "Funding and resources" as the most important issue impacting on the sector.
- This is followed "at a distance" by the key Issues of Capacity Building and Collaboration and Cooperation (48% each) with Government Policy and Regulation (36%).
- It is not surprising perhaps that these three issues score as highly as they do, since they are most likely to affect the conditions of the sources of funding for many organisations in the Social Economy. Hence, government policy and regulations dictate the amount of allocated funds for human and social services delivery in which many are engaged; while regulations frame procedures for allocation and many aspects of grant application processes.
- The Key Issue of Collaboration and Cooperation spawned the additional issue of Competition (discussed in a later section of the report).
- And from other data in the study the issue of Capacity Building was always associated with respondents constant claims about their ability to develop, to professionally educate staff, to employ more highly skilled staff and so on.
- The remaining Key Issues of any importance score similarly rated from 36% to 28% in priority of importance⁹⁷.
- The inconsistency or contradiction in the data is that while the Key issue of Funding and Resources is rated so highly, significant issues (namely Business Skills Development, Innovative Business Models and Investment) are all rated low in priority of importance. There is no immediate answer to this apparent inconsistency.

9.2. Priority of Importance of Key Issues by segments

Of greatest interest in this section of data analysis is the observation that there is an amazingly similar pattern of responses across segments.

When responses were segmented into definable groups (Social Economy (SE), for-profit sector (FP), and Government (Govs.) (Table 8.1 below), another indicative pattern of responses was observed.

- Firstly there was little difference in views across segments. This is surprising since we anticipated greater divergence (contrariness) between the views of SE and FP respondents.
- Clearly, the higher indicative weighting of priority of importance observed for the Key Issue of Funding and Resources by the total population is inflated by the weighting (86%) members of the SE give this Key Issue. Both the FP and Govts sectors rated the issue at 69%. Yet all three segments again rate this issue highest.
- In addition, except for the issue of Funding and Resources, SE respondents seemed to have a spread of priority of importance to other issues, namely Capacity Building (57%), Government Policy and Regulation (51%), Collaboration and Cooperation (47%), Measurement of Impact (39%), and Sector Leadership (35%). This pattern of responses of the for-profit and Government sectors is amazingly similar with some difference in ranking of specific issues.

⁹⁷ We excluded the Key Issue of Complexity of Management from discussion because this issue appeared to us to be a higher order concept embracing several of the issues we were investigating. It is discussed in Chapter 5.

- From our reading of other social sectors in other western economies the data is probably not surprising when they opt for finance, governance and “passion” as being of highest priority in the non-profit sector. In our results however, sector leadership and governance is rated lowly.

	Total Responses		SE Responses		FP Responses		Gov. Responses	
	Rank	%	Rank	%	Rank	%	Rank	%
Funding and Resources	1	76	1	86	1	69	1	69
Cooperation & Collaboration	2	48	4	47	2	49	2	60
Capacity Building	2	48	2	57	4	43	3	54
Government Policy and Regulation	3	41	3	51			4	51
Governance	4	36					5	31
Impact Measurement	4	36	5	39	2	49		40
Sector Leadership	5	33			3	45		
Business Skills Development		31			5	41		
Innovative Business Models		28						
Investment		18		14		33		26

Table 1: The Priority of Importance of Key Issues Based on the Views of Leaders and Managers by Segment. [Priority is also by indicated by rank within segments].

9.3. Segment Responses for Five Selected “Hot Issues”

Of greatest interest in this section is the observation that there are apparent inconsistencies or contradictions in the data set when compared with data from the previous Figure 1 and Table 1. In this table we have provided % responses based on “levels” or agreement/disagreement (reflecting congruency and contrariness).

Survey Quest	Total Responses			SE			FP		
	A+SA	NA/D	D+SD	A+SA	NA/D	D+SD	A+SA	NA/D	D+SD
In Australian NP L&M capability and performance is of high quality	66%	22%	22%	57%	19%	18%	32%	21%	94%
L&M of organizations in the SE is harder than running a similar sized FP organization	65%	22%	12%	65%	18%	12%	50%	41%	9%
Australian NP organizations achieve efficiencies through cooperation and collaboration	43%	17%	40%	46%	14%	36%	27%	18%	47%
Business skills aren't applicable in the SE	4%	1%	96%	5%	1%	92%	0%	0%	100%
It is more important to fund programs that deliver direct benefit rather than fund general expenses and capability	30%	13%	58%	25%	11%	60%	36%	29%	33%

Table 2: Segment Responses for Five Selected "Hot Issues" Affecting Leaders and Managers in the Social Economy

As we were looking for skewed tendencies in the data, the responses for agreement and disagreement respectively were aggregated (A+SA) and (D+SD). Responses that were neither agree/disagree (NA/D) responses were regarded as "neutral" responses.

9.4. Inconsistencies in Social Economy members' responses

There are clear trends in the data for Social Economy respondents who show reasonably high levels of agreement on the hot issues relating to:

- Business Skills are Applicable to the Sector;
- the High Quality of leadership and Management in the sector;
- the fact that SE organisations are more difficult to manage (Complexity of Management); and
- that it is more important to Fund Programs than General Expenses (for example, staff development, capacity building, administration expenses).

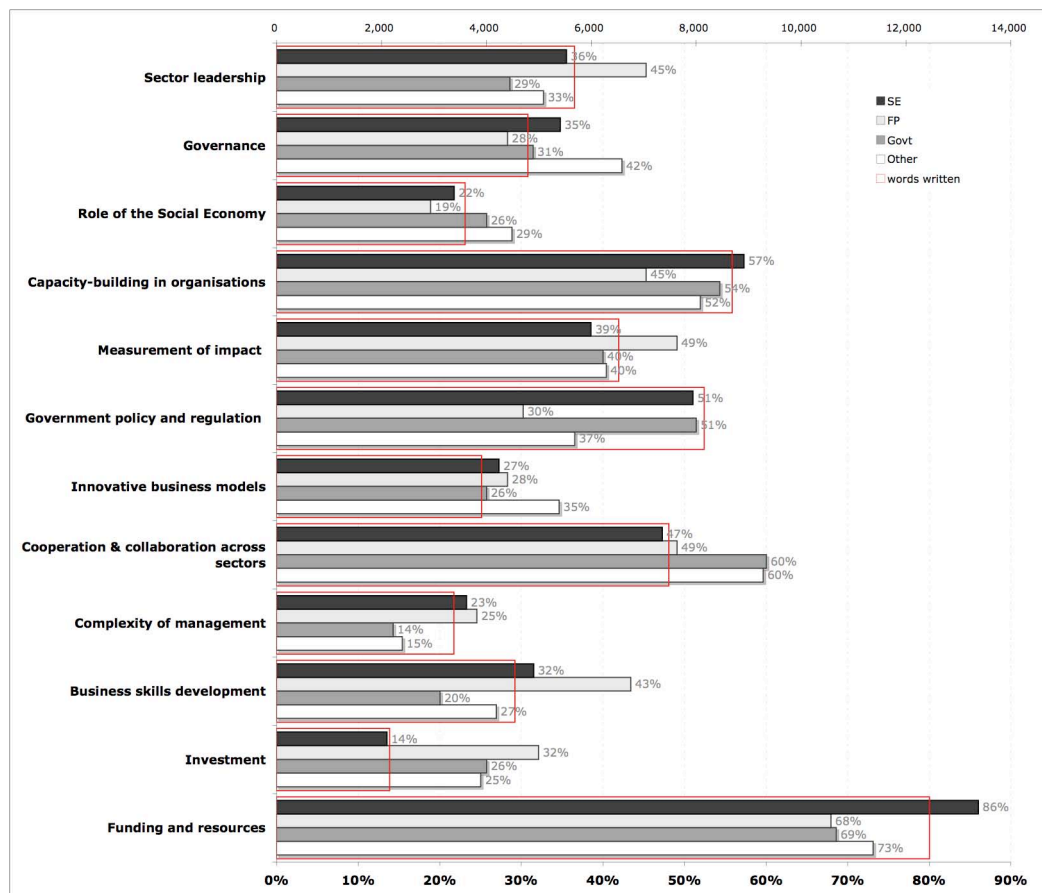
Yet when Table 1 and 2 are reviewed and or compared a number of apparent inconsistencies emerge.

- Funding and Resources is rated of highest importance yet Business Skills Development, Innovative Business Models and Investment are rated very low (Table 1)
- Funding and Resources has a highest rating of importance yet Sector Leadership has a relatively low rating of importance (Table 1)

- SE respondents acknowledge the inherent difficulty of managing a SE organisation (Table 2) yet they appear not to place a high degree of importance on Sector Leadership (Table 1)
- Funding and resources is highest in the rating of importance (Table 1) yet Investment is lowest in rating of importance (the confusion between funding and investment is noted in Chapter 4.)
- Governance has a high priority of importance (Table 1) yet elsewhere in the data-set boards of governance are soundly criticized and regarded lowly (almost disparagingly). There is a general unwillingness to fund their (leadership) development and Governments are soundly criticized for not supporting this when they fund only "core costs".
- Leadership capability and performance was agreed as high in the SE by SE members (Table 2) yet in Table 1 it is rated of relatively lower importance. We should also note that leadership and performance is viewed as well-performing yet within the text responses to the twelve Key Issues, leadership in the sector is viewed as weak and ego-driven.
- We have not attempted to reconcile these inconsistencies of response; shedding light on reasons for these responses would require more fine-grained research that was not the intention of this study.

We have seen in Table 1 that both the % responses and ranking of Key Issues is comparable across the three segments/sectors for the highest rated Key Issue, Funding and Resources. The rating of importance for the top five Key Issues is very similar in % and rank for both the SE and Public sector responses. Yet the Private (FP) sector appears to differ appreciably in its views from the other two sectors, at least with respect to the ranking of important issues. This should be treated with caution however given the similarity of % ratings of importance for issues in the FP responses.

9.5. Contrary views across sectors



When comparisons are made across the Social Economy and for-profit sectors however interesting trends emerge (Table 2). There is a wide divergence in views about the capability and performance and quality of leadership and management in the SE sector. 66% of SE respondents agreed that there was high quality leadership in the sector; yet 94% of FP respondents disagreed with this view.

Similarly, approximately half of the for-profit respondents agreed that it was more difficult to manage and lead a Social Economy organisation; the remaining half appeared quite indifferent or viewless. SE participants were much more directed (65%) in their view that it was harder to lead and manage a Social Economy organisation. The highest levels of congruency of views were in the applicability of business skills in the Social Economy.

Respondents from both the Social Economy and for-profit sectors seemed quite neutralized and/or indifferent about the place of collaboration and cooperation; and about the funding of direct costs vs general expenses.

What can be concluded from this overview? We can say that:

- The data presented here are indicative not predictive.
- We looked for patterns in the descriptive statistics and we found some interesting trends that enabled us to pursue the analysis in subsequent focus groups, thought leadership forums and surveys.
- There were many inconsistencies in the responses of participants.



- These inconsistencies are unexplainable from the current data set but we suspect that they do reflect two issues:
 - a) The current confusion in the sector about which issues are important to/for the sector; and
 - b) The issue of communication and language-use in the sector.

We shall pursue the issue of language in Chapter 9.

At the commencement of the study we hypothesised that there would be a wide difference in views between the for-profit sector and the Social Economy sector; this turned out not to be the case. In fact, the views of both sectors were reasonably congruent except in some key issue areas such as the quality of leadership in the sector.