

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

A research project by



"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

November 2007



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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.

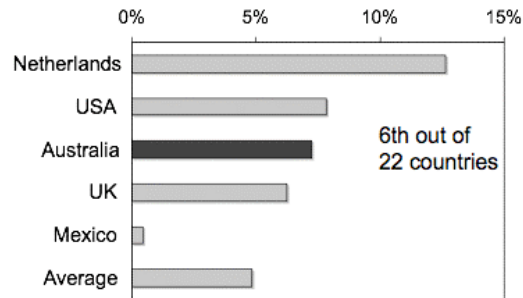
Note

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.

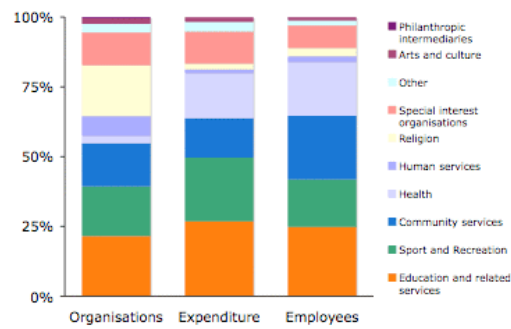
¹ For an overview and introduction see the wikipedia entry at http://en.wikipedia.org/wiki/Open_source.
More information and resources are available at <http://www.gnu.org/>

APPENDIX 1: Sizing the Australian Social Economy

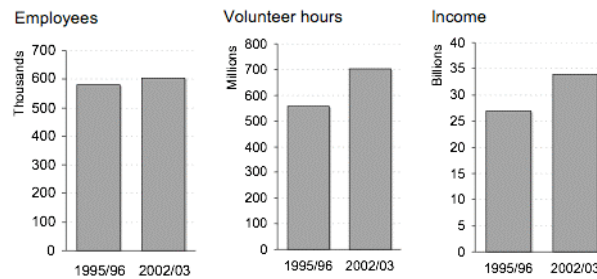
OECD employment ranking



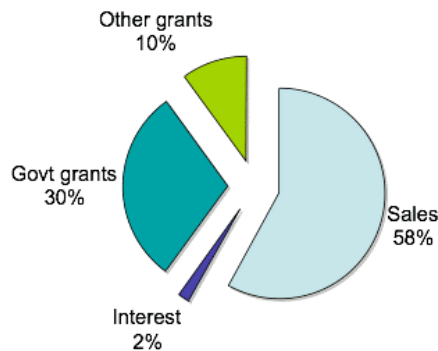
Sector break down



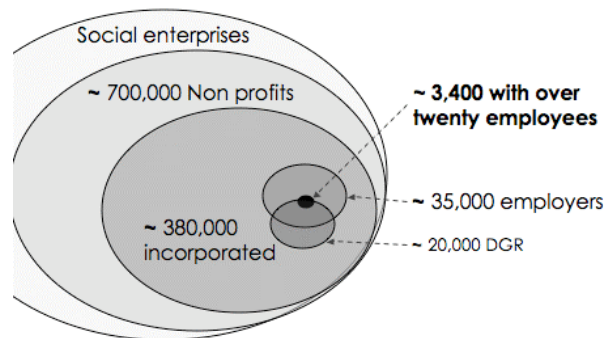
Solid growth



Sector income



Organisations of the social economy



- Education, sport, health and human services organisations dominate the sector on most dimensions.
- When we compare ourselves with other OECD countries, Australia ranks #6th out of 22 countries in terms of employment in the sector (7.2% of workforce). This is just behind the USA and just in front of the UK. (*The Non-profit sector in a changing environment*, OECD 2003)
- As expected, the sector has been growing, roughly in line with inflation on a compound basis (Lyons, 2000; and ABS data)¹¹⁶
- The majority of the income from the sector comes from sales. In 1999-2000, about 58% was generated from sales, 2% from interest and 40% from fund raising, of which 75% (or 30% of total income) came from government sources. (Lyons, 2001)
- During 2004, 6.3 million Australians, 41% of adults, volunteered a total of 750 million hours of labour for non-profit organisations of all sizes
- This voluntary contribution was equivalent to an additional \$13.3 billion donated to the non-profit sector

Perhaps more importantly, from previous research and anecdotal evidence, it is known that¹¹⁷:

¹¹⁶ Lyons, M. (2001) *The Third Sector: the Contribution of Nonprofit and Cooperative Enterprises in Australia*, Allen & Unwin, Sydney



seen

- Many Social Economy organisations are operating to survive¹¹⁸;
- Small organisations dominate the sector but have to pay disproportionately high prices for basic services and overheads;
- Organisations have to expend lots of money to secure funds;
- Organisations who achieve a measurable social impact are not always receiving increased funding;
- Funding is short-term so long-term planning is difficult;
- The sector suffers from poor organisational efficiency and effectiveness due to absence of agreed accountability and reporting standards;
- In general, there is a lack of structure to facilitate donations

The means of finding out more about leadership and management was to interrogate the dimensions of practice which were expressed as Key Issues and which reflected the kinds of capabilities which are required for leaders and managers to operate in the sector efficiently and effectively, that is, to create social impact.

¹¹⁷ This data has been derived from the National Roundtable of Nonprofit Organisations and reported on the website of Philanthropy Australia, <http://www.philanthropywiki.net/research/factsheets/nfpfactsheet.pdf>

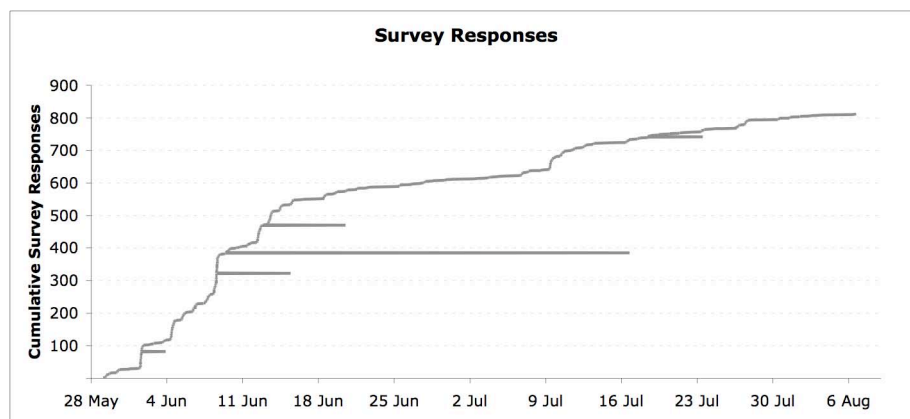
¹¹⁸ The source of this evidence is from the Non-Profit Australia website at <http://www.nonprofitaustralia.org.au/>

APPENDIX 2: Research participants

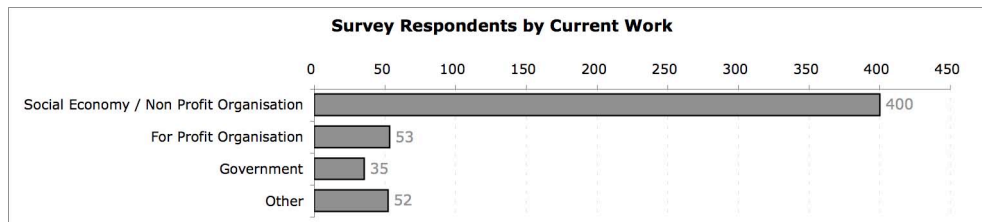
Thought Leadership Forums

Focus Groups

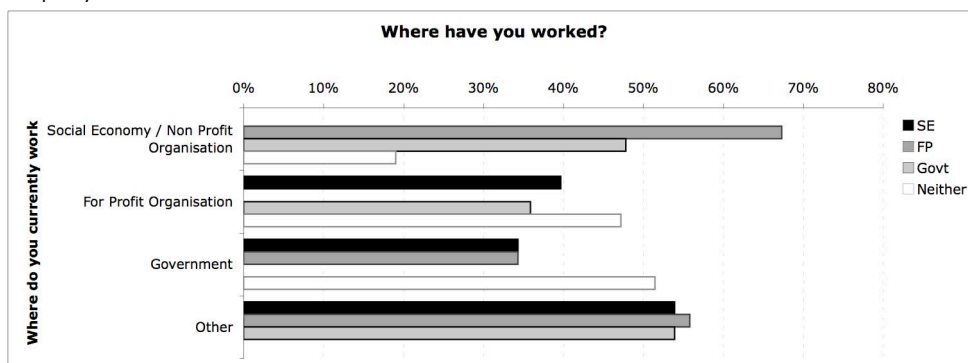
Online survey respondent profile



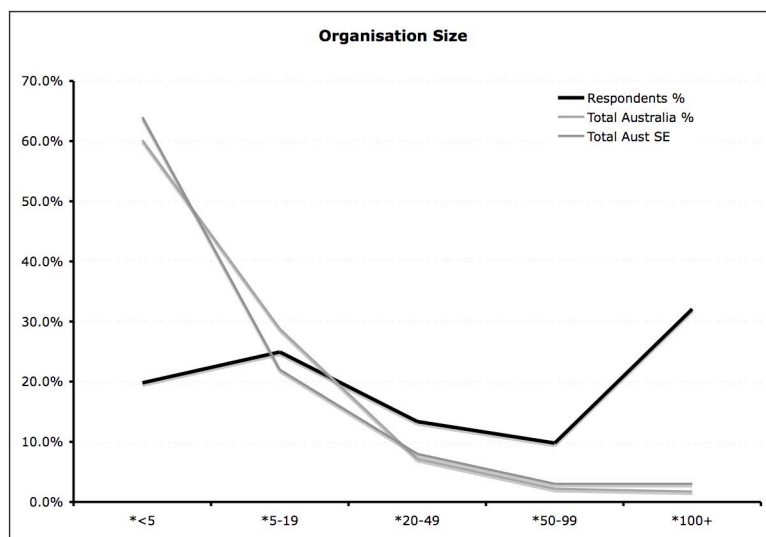
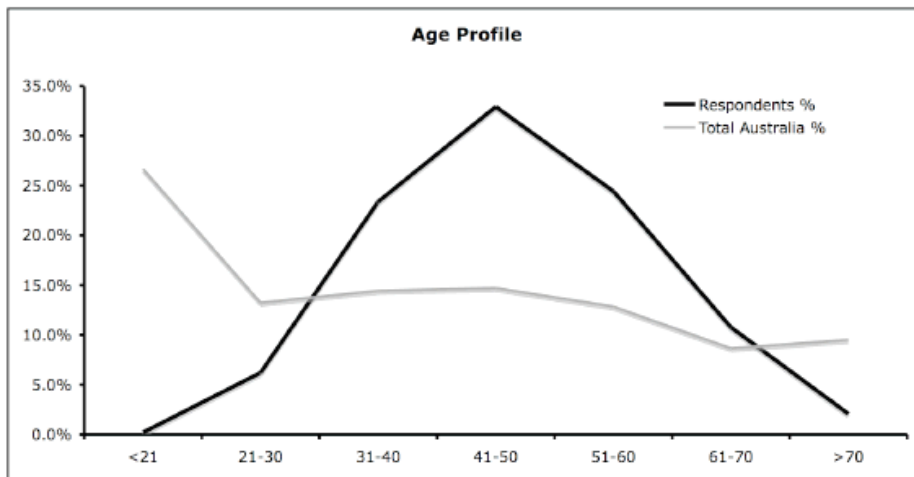
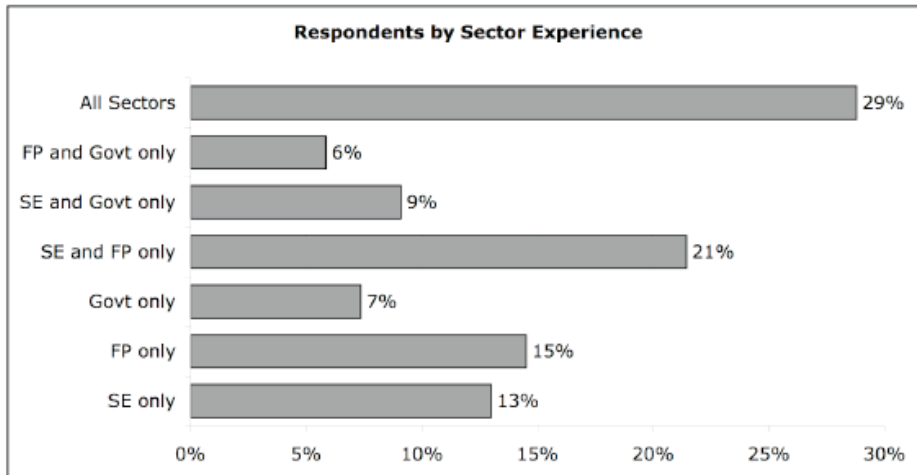
Profile of respondents at end of June 2007

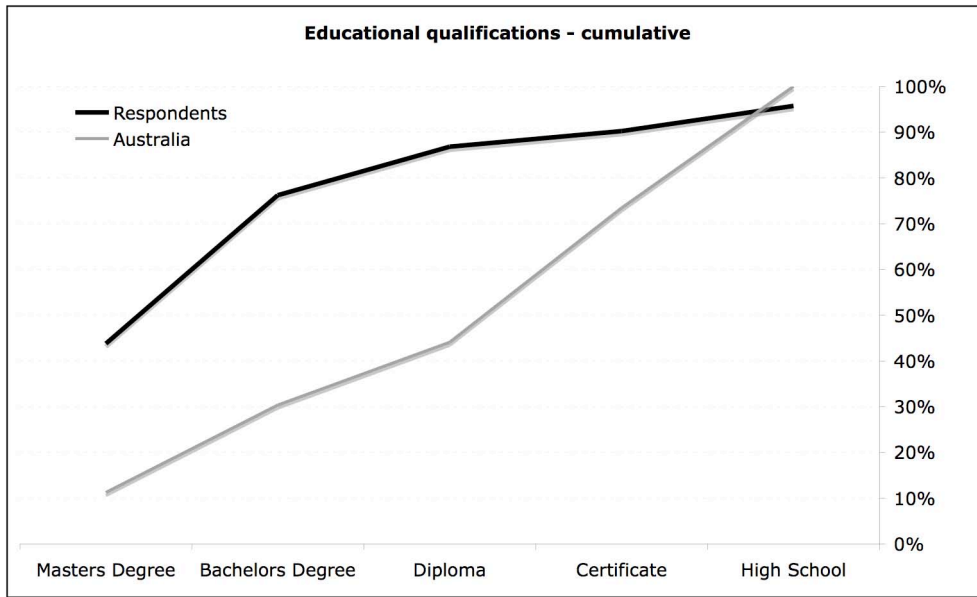


Employment crossover:



Thus when we look at overall experience, many have worked in all three sectors ... and many have had some FP experience.







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Version 1.2, November 2002

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