Business and Volunteering: A Case Study of England

Rebecca Steel

University of Central Lancashire, United Kingdom

E-mail: RSteel@uclan.ac.uk

Jason L. Powell

University of Central Lancashire, United Kingdom

E-mail: JPowell1@uclan.ac.uk

Abstract

This article analyses the latest state of knowledge on how business principles correlate with the operations of community organisations in England. At the time of writing, the paper focuses on a key issue in British Prime Minister David Cameron's political emphasis on the "Big Society" in England (British Coalition Government 2011). In view of relating Voluntary, Community and Faith Sector (VCFS) in England, and its interaction with private sector business it is a pertinent observation that communities cannot operate without business and business cannot operate without its community. In lieu of these participating factors within the social, economic and political environment, to what extent do voluntary organisations draw on skills and expertise acquired from business is an enduring question.

1. Introduction

This article evaluates the latest state of knowledge on how business principles correlate with the operations of community organisations in England. At the time of writing, the paper focuses on a key issue in British Prime Minister David Cameron's political emphasis on the "Big Society" in England (British Coalition Government 2011).

In view of relating Voluntary, Community and Faith Sector (VCFS) in England, and its interaction with private sector business it is a pertinent observation that communities cannot operate without business and business cannot operate without its community. In lieu of these participating factors within the social, economic and political environment, to what extent do voluntary organisations draw on skills and expertise acquired from business is an enduring question. However, the British government suggest the fundamental issue of the vision for local communities is:

"to give citizens, communities and local government the power and information they need to come together, solve the problems they face and build the Britain they want." (Building the Big Society, British Coalition Government, 2011).

This article aims to address how change management is achieved in a non-sectarian society and adopted within the realms of a wider 'civil society', alongside providing analysis of how business practices contribute to the sustainable development of community-based organisations. With a specific focus on cross-sector or 'intersectoral' collaboration and transactional relationships defined in the exchange of knowledge of opposing sectors; one driven by profit and market growth, the other philanthropic goals.

The paper explores the issues and ethics of applying private sector business principles and practices to VCFS and the impact this has on ensuring sustainable development (Powell 2011); once VCFS organisations have defined what sustainability is and how they pursue this new strategy?   The article also presents views on juxtaposing collaborative relationships from the perspective of strategic partnerships involving the core business interests of both partners to business philanthropy (private and community foundations, business ethics and corporate social responsibility); and around the role of business strategies in VCFS, adopting organisational development and bridging the gap between sectors with social enterprise (Powell 2011). Arguably the VCFS has come under unprecedented scrutiny in the last three to five years, following the British coalition government's express intention of creating a step change in the support provided to the sector. Lots of searching questions are being asked of infrastructure, not least by the sector itself. Indeed, the increasing role that the third sector is expected to fulfil in the delivery of services clearly impact on both the size and structure of third sector organisations. As Powell (2011) argues this expansion has been brought about by a re-shifting of the burden of welfare provision from the state to non-statuary agencies, businesses and individual citizens. The increasing expectation to deliver public services this way has huge potential to impact on VCFS: many will be challenged financially affecting their prospects for survival and sustainability, many will seek to increase their levels of 'professionalisation' and no doubt there will be many who experience radical change to the relationship they have developed previously with volunteers. In some instances this will throw up new opportunities to engage the sector but because of the heterogeneous character

of the sector it is unlikely that a single policy response will be adequate to support the development of VCFS. We should expect, for instance, social enterprises to be elevated to play a key role in fulfilling policy goals directed towards social and economic regeneration, particularly but not exclusively in depleted communities, and will likely witness the promotion of community cohesion and notions of citizenship through the work of VCFS. Equality, mutual respect, autonomy and decision-making through communication with socially disadvantaged groups come to be seen as integral to the sector and provide an opportunity to encourage socially excluded groups and communities to participate as active citizens in, rather than be seen as a potential burden, to community engagement.

Hence, the hypothesis presented in the paper intends to provide insight into organisational practices as experienced in the changing social climate of (VCFS) in light of British coalition government reforms and cross-sector collaborative working arrangements.

2. Research Methodology

This paper is a systematic literature review on a developing issue of importance in the United Kingdom and elsewhere.

3. Business Principles in Voluntary Organisations

The extent to which business principles impact on community groups is dominated by the structure and function of VCFS organisations that operate within a diverse demographic and geographic market. Governance structures, workforce and organisational development are all influenced by the leadership of an organisation regardless of its sector.

The *NCVO Civil Society Almanac* (2010) states there are 900,000 charitable organisations with a combined income of £157,000,000,000 employing 1.6m paid staff in the UK. The diversity of VCFS organisations span from established national charities with fully functional business services to unincorporated local groups micro-focussed on serving the interests of a small localised community, running on grant or donation-based finances and heavily dependent on the their volunteer workforce.

In the 2011 report it states:

‘Our vision for safe and active communities’, Baroness Newlove defines purpose of VCFS groups as, “having a special ability to mobilise and support people, particularly those who sometimes struggle to find a voice*.*” (Newlove 6: 2011)

How organisations change and thrive is impacted by their ability to adopt a sustainable vision, as Doppelt says:

“vision provides the goal; principles frame the path.” (Doppelt 2003: 57)

Applying this ‘sustainable vision’ to the VCFS market emphasises that many organisations are wholly focussed on delivering their charitable purpose and reacting to events happening within the ‘here and now’ rather than giving much thought to future sustainability. These organisations are often perceived as ‘slow and reactive’ in comparison with business, as suggested in Powell’s (2011) research:

“In developing strategies its important for organisations consciously to consider and challenge the way in which different decisions about organisational identity and role in

society lead to different strategic priorities."　(Powell 306: 2011)

One of the key questions raised in the discussion are managers able to cope with the changes in culture and structure?

Given the paradox that change is a constant feature in organisational life, particularly for VCFS organisations operating in the civil society, issues around sustainability are put into practice with human capital and entrepreneurialism being closely linked.

It is not uncommon for voluntary, community and faith organisations to constantly review where they can generate income either in the form of grants or bids but with this approach is a constant threat of mission drift.

Research by Reid and Gibb (2004) illustrates for one charity in their study, a lack of focus on their central mission resulted in taking on additional work to maintain financial security leading to rapid growth without consideration of the organisations capacity to cope with additional staff, increased regulation and their ability to remain financially stable.

Ashman suggests intersectoral partnerships are well suited to addressing social problems that cannot be solved by single sectors and organisations acting alone (2001). Parallel to this concern is the model of engagement, participation and representation from grassroots VCFS into the overall concept of collaborative partnerships, conflicting governance structures and a lack in conveying issues experienced by frontline groups.

To conceptually explore the social exchange of information from business to the diversity of VCFS groups encouraging such entrepreneurial activity requires a focus on intangibles of social and cultural changes:

"The social infrastructure strongly influences how community members perceive opportunities"　(Flora and Flora 49-50: 1993)

In light of these observations it is clear to see it is essential communities build social infrastructures that not only welcome economic change but also reward it.

The Floras focus on three elements including: perceived diversity of decision making, mobilisation of resources to invest in the community and its members, and the quality of interpersonal networks. From these elements it is clear building the entrepreneurial potential must be directed by decision-makers, namely trustees of VCFS organisations and adopted by clearly defined expectations of cross-sector collaboration from both business and VCFS.

Crucial to evolution of the sector and socio-economic climate; National Occupational Standards for community development defines community development as:

"long-term value based process which aims to address imbalances in power and bring about change founded on social science, equality and inclusion."　(Alliance 30: 2011)

In England, for VCFS organisations to achieve this 'process' a number of challenges based on capacity, organisational silos, workforce, commercial issues and managing structural and delivery changes must be overcome. Without a skills and knowledge-base readily available in VCFS,

collaboration with corporate partners is a likely solution to meet the emerging needs and challenges of the changing political, social and economic landscape:

"A community that supports its entrepreneurs is much more likely to be resilient in the face of rapidly increasing change in markets." (Jelink et al 25: 1991)

The concept of entrepreneurialism potential offers a valuable framework for helping to promote economic resilience. In order to build successful collaborative working the motivations for engaging in partnership with business must be established from the onset, Lees (2008) argues:

"Collaboration plays a pivotal role in tackling pressing social and environmental issues, with business increasingly recognised as a key player in such collaborations." (Lees 29: 2008)

Lees (2008) alludes as businesses review their community involvement practices, emerging partnerships are becoming one of the most viable parts of CSR agendas.

The impact collaborations have on interactions in workforces can be interpreted as having an impact from grassroots to Local Economy Partnerships and British Government reforms. Kolk (2011) defines micro, mezzo and macro level interactions as transmissions of knowledge about the social good:

"Obviously partnerships are first and foremost meant to address the social good (macro level), and the partnering organisations (mezzo level). However, they can also have implications for individuals who interact within these organisations such as managers, employees or customers (micro level)." (Kolk et al 125: 2011)

Cross-sector interactions seem particularly appropriate to address large-scale issues by sharing risks, funds or skills, social capital in the economic sphere reduces transaction costs.

Ashman's (2003) research suggests civil society organisations look to strategic business partners to create programmes jointly in which business capacities are critical to solving development programmes.

In VCFS's wide diversity of partnerships in England, lack of data and absence of 'control groups' how do we measure the contribution to quality of life and the wellbeing of the community?

As Mullens highlights, links between business ethics and economy efficiency are hugely affected by governmental, social, technical and cultural variables:

"In striving to satisfy its goals the organisation cannot operate in isolation from the environment its part of." (Mullens 833: 2005)

Business community partnerships are promoted in the belief cooperative relationships provide the potential to achieve significant social benefits through joint action. Etherington (2011:3) picks this point up well:

"Real transformation requires us to fundamentally change the way we think about public services; the people who provide them; those who use them; and the relationship between them. And it requires us to focus on people's wellbeing, rather than just the provision of welfare, on people's lives and communities, not on service silos… Co-production is about people doing things for themselves and in partnership with volunteers and professionals. If

taken seriously, it has the potential to achieve a real - and realistic – devolution of power providers to service users; and from local services to the communities they serve.” (Etherington 2011: 3)

For many VCFS organisations operating within civil society, social problems have grown in complexity and traditional sources of funding have diminished. The organisational capacities of VCFS remain largely undeveloped comparatively with the private sector, and as a result many communities marginalized:
“For VCFS organisations the need to access funds and resources can be a strong driver for collaborating with business.” (Frolich 258: 1999)

Community organisers may view partnerships with business as a method of strengthening their position to influence social change. Indeed:
“Think about what communities can bring to the table, join together and get the basics right.” (Newlove 6: 2011)

In addition to decreasing social problems cross-sector partnerships can provide benefits to business, including:

- ❑ Building a competitive advantage
- ❑ Gaining the ‘trust’ of a community
- ❑ Generating positive Public Relations
- ❑ Increasing the businesses attractiveness to potential employees
- ❑ Improving stakeholder relations (Warner et al 25: 2004)

Balancing the need to meet charitable objectives with the ethical delivery of business, social entrepreneurialism relies on the individual notion of social transformation, in this respect the culture of community organisers vastly differs from the drivers of business in both organisational goals and economic pressures. As (Brown 2009) points out:
“Stronger collaborative arrangements between organisations are a key means of boosting economies of scale and enhancing efficiency. Such arrangements range from sharing resources (staff, premises, human resources services) to consortia and mergers. Many third sector organisations are looking to develop and shift their approach and emerge from the recession stronger and more sustainable.” (Brown 12: 2009)

However, some commentators argue that the goal of becoming a profit-making organisation, simultaneously delivering social objectives, is an illusion. Instead there is a continual struggle to balance social objectives and maintain the levels of income necessary to achieve social outcomes (Warner et al. 2004).
The literature on cross-sector partnerships offers a range of often competing explanations for business involvement in communities. Much of the literature focuses on the benefits of partnerships from the perspective of the private sector; this includes the characterisation of return on investment when in contrast the community counterpart of social return on investment is given little consideration along with VCFS motivations and interests in

cross-sector collaborations.

4. Conclusion

The systematic literature review has emphasised 'social goals' cannot be viewed as a commodity for business; the tensions of communities are complex and diverse and differ from door to door, street to street. Findings in the article indicate the escalating issues in society are largely due to the shifting political, social and economic landscape without the presence of 'cultural interpreters' to translate the structures of competing sector objectives within business and communities. Where do we go from here? There are four main issues that have come out of the literature review:

1. Community organisations may work within a local neighbourhood or with a community of interest and respond to their needs by offering a range of activities, services and support. Sometimes these organisations focus on all local people whilst others specialise and may work only with particular groups e.g. children and young people.

2. Some organisations may provide targeted or specialist support while others provide more generic activities and services. They have strong local knowledge, skills and trusted relationships with local people, reaching into communities that other sectors and providers find harder to reach.

3. It's clear that there are different operational structures in VCFS organisations, dependent on their size, structure, turn over and how long they've been established.

4. There is a need for a 'support space' where organisations can explore collaborating, access a resource base and the skills, expertise and experience needed to meet the resources they don't have in their workforce or a portal where they can share their areas of expertise.

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