From 'Charity' to 'Social Enterprise':
Managing volunteers in public-serving nonprofits

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ABSTRACT

This paper examines some of the key volunteering issues and challenges facing large public-serving nonprofits in the community services sector. It first looks briefly at volunteering in public-serving nonprofits, before describing how changes in the external environment are influencing some nonprofits to adopt a social enterprise strategy. Social enterprises place great importance on the establishment of partnerships between nonprofit organisations, business and government. The paper argues that this change also has implications for volunteers within these organisations as well as how they are managed. A 'social enterprise' model of volunteering is sketched out in contrast to the more traditional 'charity' model. The management challenge for the 'charity' model can be seen as applying professional Human Resource Management (HRM) techniques to volunteers. The management challenge in terms of the social enterprise model needs to go beyond HRM.

INTRODUCTION

The rediscovery of the 'social capital' and 'civil society' discourse has been a key factor behind the increased interest in volunteering among policy makers (Zappalà 2000). Social capital usually refers to the networks and norms, especially of *trust* and *reciprocity*, in a society or a community that facilitate collective action (Winter 2000). Volunteering is seen as an activity conducive to building social capital as the reciprocity involved helps build trust, coordination and cooperation, and it does not involve monetary exchange (Baum et al. 1999). Researchers within the 'civil society paradigm', however, originally focused on volunteering in the large number of small voluntary associations or member-serving nonprofits. Member-serving nonprofits, for example, religious organisations, sporting and cultural associations, are established primarily to serve the interests of their members (Lyons et al. 1998).

Increasing attention is now being paid to the role and contribution of volunteering to the development of social capital in the larger public-serving nonprofits (Lyons 2000). These are nonprofit organisations primarily established to provide services for people who are not their members. Public-serving nonprofits are a key part of the community services field. In 1995–96, they employed over 132 000 people and had an operating expenditure of $3.7 billion (Lyons 1999). Organisations in this sector include those commonly referred to as 'charities', such as The Smith Family, Mission Australia, and the St Vincent de Paul Society, as well as hundreds of smaller community organisations providing counselling and material assistance to people.

Most of these organisations have always made extensive use of volunteers. It has been estimated that there are more volunteers in Australian non-government welfare organisations than there are paid workers (Vellekoop-Baldock 1990). In 1995 almost one-third of those who volunteered did so in

the welfare/community sector, topped only by vol-
unteers in the sport and recreation field (ABS 1996).
Furthermore, the welfare/community sector is also
where highly committed volunteers, those that vol-
unteer at least six hours per week, are most likely to
be found (Lyons and Hocking 2000). Most of these
volunteers are involved in the direct provision of serv-
ices, a characteristic unique to Australian
volunteerism compared to voluntary activity in many
Western European countries (Vellekoop-Baldock
1990).

The relationship between volunteering and social
capital is not as clear-cut in public-serving nonprofits
as that between social capital and member-serving
voluntary associations. Public-serving nonprofits are
the largest providers of community services, but many
are either dependent on government support or in-
creasingly operated as for-profit organisations. It has
been argued that:

> *once they [public-serving nonprofits] become large enough
> to employ staff to deliver services, their use of social capi-
> tal, and thus their ability to generate it, is diminished.
> However, if they try to involve members and clients in
> activities associated with the organisation, or **if they make
> extensive use of volunteers**, then their reliance on social
> capital is at least partially maintained (Lyons 2000, p.
> 187; emphasis added).*

Lyons also argues that public-serving nonprofits
need to make greater use of volunteers if they are to
contribute to the development of social capital. While
it is likely that public-serving nonprofit organisations
play an important role in the generation of social capi-
tal, the mechanisms through which this occurs, and
the nature and extent of variation between different
organisations is not clear.

The literature on volunteering in large public-
serving nonprofits in the community services sector,
however, is more likely to discuss issues surrounding
exploitation than social capital. In particular, volun-
teering has been seen as an extension of women's
unpaid household and community work, leading to a
similar gender segregation in volunteer work across
sectors to that in the paid workforce, as well as a gen-
der differentiation of roles within sectors (Vellekoop-
Baldock 1990; ACOSS, 1996). There is also a fear that
the use of volunteers by nonprofits may reinforce a
'welfare on the cheap' mentality (ACOSS 1996). The

reliance on volunteers may act as an incentive not to
create paid jobs. The focus has been on the 'work
conditions' of volunteers, and how they may differ to
those of paid workers.

It is not surprising, therefore, that the manage-
ment challenge for public-serving nonprofits has es-
sentially been seen as one of adopting human resource
management (HRM) techniques to volunteer rela-
tions. There is now a well developed literature of vol-
unteer manuals and websites that among other things
deal with:

- how to increase the professionalism of the volun-
  teer management role;
- the use of volunteer databases;
- volunteer motivations, and how they can be linked
  to recruitment and retention strategies;
- training and volunteer accreditation programs;
- dismissal;
- remuneration (of expenses);
- recognition and satisfaction; and
- paid staff/volunteer relations.[1]

In brief, there is not a great deal of difference be-
tween the discussion of volunteers in this sector and
the debates and discussions concerning the manage-
ment of paid employees. While many public-serving
nonprofits continue to be under-resourced in this
area, there has been an attempt to increase the pro-
fessionalism of the volunteer management role, al-
though there is still a great deal of diversity in
approach between organisations.

THE CHANGING ENVIRONMENT: FROM CHARITIES TO SOCIAL ENTERPRISE

The environment within which public-serving
nonprofits operate has experienced rapid change over
the last decade. A key factor driving this change has
been the reconfiguration of the community sector.
The role of government in social policy, for instance,
has been one of gradually pulling back from the di-
rect delivery of services and relying more on nonprofit
organisations, and in particular, volunteers, to under-
take this role. Many nonprofits are re-examining their
approach to volunteers not so much as a result of hav-
ing discovered social capital, but because of an in-
creased reliance on them to undertake their work.

Operating within this new social policy framework

poses several challenges for nonprofit organisations. A term that describes nonprofit organisations that have changed aspects of their structure and strategy to meet the challenges of this new environment is *Social Enterprise*. A social enterprise 'can refer to any private activity conducted in the public interest, organised with an entrepreneurial strategy' (Simons 2000, p. 1). Social enterprise is a means for nonprofit agencies to maximise their mission-related performance through the development of new ventures or by reorganising existing activities to improve operational efficiency. Social enterprises may also include for-profit companies with an embedded social purpose, as well as activities of business corporations aimed at benefiting their communities. Although there are varying definitions of social enterprise, the term also reflects the importance of social partnerships between nonprofit organisations, business and government in addressing major societal problems (Simons 2000).

Another way of understanding the shift from 'charity' to 'social enterprise' as a result of the changing external environment, is to view it in the context of civil society. Civil society is generally defined as the social space between state, market, and family in modern societies (Baubock 1996). A simplified ideal type of civil society is shown in Figure 1. The social space between these three institutions is occupied by a plurality of associational relationships that include political parties, trade unions, clubs, nonprofits, etc. The internal goals and rules of the various associations that make up this space determine their location within the 'civil society triangle'. The closer an institution is to one of the corners, the stronger is the impact of institutional rules and norms characteristic of that corner. Political parties, for instance, are influenced by the state, firms by the market, and circle of friends by family. Institutions located near the perimeters, but roughly equidistant from the corners, for example, trade unions, religious organisations and neighbourhoods, are subject to conflicting pressures such as economic/political, public/private, and open/closed, and their role in society may change according to the dominant pressure at any particular point in time.

Institutions that are closer to the centre of the triangle have greater autonomy from all three poles. The *voluntary* nature of associational life in civil society is also stronger for institutions at the centre. Voluntary activity is seen to be at the core of civil society. The pressures emanating from the 'market' and 'state' poles of the triangle are increasingly influencing the
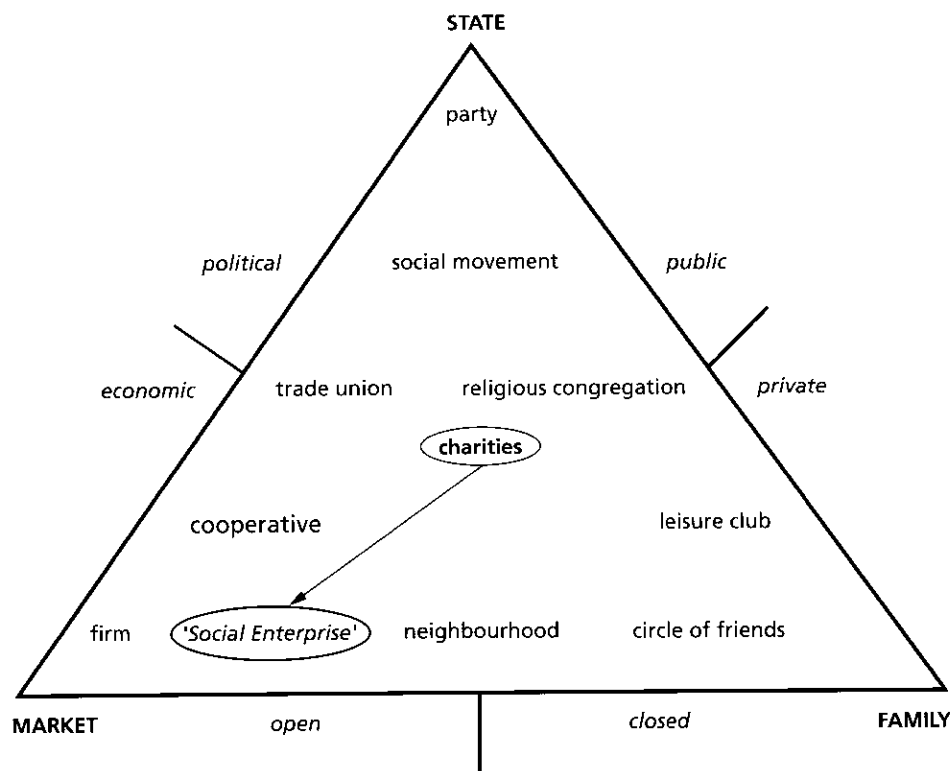

Figure 1 The Civil Society Triangle: Location of associations and social enterprise, adapted from Baubock (1996, p. 86)

assumptions underpinning the operation of many nonprofit organisations. For example, some fear that many church based nonprofits may lose their original mission through the current 'state' and 'market' based incentives to tender for government contracts to provide employment services (Gregg 2000). Although many secular nonprofits have always had a commercial focus to their activities, a key task for them is how they can adapt new entrepreneurial strategies without compromising their primarily social purposes. The challenge, in other words, is how to retain a posi-

tion which is at the centre of the triangle while recognising that there will be periods when one or more of the three poles may exert a stronger influence.

SOCIAL ENTERPRISE AND THE IMPLICATIONS FOR VOLUNTEERING

How, if at all, will the shift from 'charity' to 'social enterprise' influence the relationship between nonprofit organisations and their volunteers? Will this shift alter the potential contribution of these volunteers to social

Table 1 The 'charity' and 'social enterprise' models of volunteering

Volunteering dimension	Charity model	Social enterprise model
Recruitment base	general community	community and companies
Demographic characteristics	usually older, not in workforce, female	usually younger, employed – 'cash rich, time poor'
Location	on-site	on-site plus off-site and virtual volunteering
Mode of engagement	'fit volunteer to the job' (through selection & training)'	'fit job to person' (through creating appropriate volunteer opportunities
Type of volunteer activity	specialised/fixed tasks	diverse/project-based, also some 'release' activities
Skills	varied: from basic to high	tendency to be more highly skilled
Training	traditionally little or extensive role-specificprovided in-house	volunteers may train in-house staff
Retention	need to be ongoing/ loyalty important	fixed term; ongoing nature not as important; fickle
Recognition	'gold watch' approach	recognise corporate involvement through 'high profile' marketing; outcomes-focused feedback to individuals
Commitment	seen in terms of regular hours/week (usually core hours)	bundles of time without set parameters; outside of core hours/depends on volunteer's preference
Motivations	focus on altruism	altruism plus personal/ corporate gains

capital? Is a new 'kind' of volunteer needed? Will the traditional source of recruitment change? It is still early days to be able to provide answers to these and other questions. Nevertheless, it does seem clear that while the 'future for volunteers in human service delivery is uncertain...what is certain is that it is changing' (Warburton and Mutch 2000, p. 42). Recent research has identified four external factors influencing the construction and role of volunteering within nonprofit organisations in community services (McDonald and Warburton 2000):

- changes in external expectations of what constitutes procedural conformity, for example, government and community expectations that nonprofit organisations adopt a more business-like and professional approach;
- an increased pressure to innovate with respect to service delivery, for example, an increased demand for services that focus more on community education and needs;
- the emergence of dissonant information challenging the utility of the organisations' operating assumptions namely, an increased dissatisfaction with current modes of service delivery; and
- changes in the legal environment, for example, increased legislation with respect to areas that volunteers have traditionally been involved in as well as occupational health and safety requirements that increases the risk of litigation for the organisations.

Table 1 provides a typology and contrast of two main 'models' or 'types' of volunteering in public-serving nonprofits in community services. The characteristics of the 'charity' model best describe the dominant approach to volunteering in most public-serving nonprofits. The characteristics of the 'social enterprise' model are those that seem to be emerging in some public-serving nonprofits that are adopting a social enterprise approach to their activities.[2]

The first dimension, for instance, suggests that the nature of volunteer recruitment is changing. Social enterprises, for example, are increasingly drawing volunteers from the corporate sector. As mentioned earlier, an important aspect of a social enterprise's strategy is developing sustainable relationships with business partners who share a similar vision in order to develop longer-term relationships.

Traditional forms of armchair philanthropy are giving way to corporations' more strategic involvement in the funding, design and implementation of community-based programs, often through the skills and time that their staff can volunteer through formal employee volunteer programs (EVPs). To date, EVPs have been particularly adopted in the United States. Large firms are increasingly using EVPs as part of their overall business strategies and planning systems (Points of Light Foundation 2000).

This different source for recruitment is likely to change the demographic characteristics of those who have traditionally volunteered in the community services sector. New or 'social enterprise' volunteers are more likely to be younger, highly skilled professionals who are employed full time. In many cases they are senior executives and staff who are 'cash rich and time poor'. Traditional volunteers in the 'charity' model are more likely to be middle-aged to older women who are largely unskilled and not in the paid labour force (Zappalà et al. 2001, McDonald and Warburton 2000).

As well as the traditional on-site forms of volunteering, the location where volunteering occurs in the new model is increasingly off-site (from home) and via the Internet. This is possible because the types of volunteering tasks associated with EVPs and social enterprises are not only the traditional service delivery activities, which need to be on-site, but project-based activities that may involve everything from designing the logistics for better service delivery to financial planning. McDonald and Warburton (2000, p. 10), for instance, found that traditional volunteers 'will be increasingly engaged in ... "those little, for want of a better word, menial tasks, repetitive tasks", while the new volunteers would be engaging in ... "developmental work" with the organisation's new client groups'.

The traditional approach to retention, recognition and commitment are also different in the social enterprise model. The need for ongoing loyalty in the social enterprise model is no longer as important. The fixed-term nature of many volunteering jobs means that 'regularity of service' is not required. Indeed, corporate fickleness often means that social enterprises should not come to rely or depend on any one corporate program. Recognition for individual volunteers is therefore less about awards for years of service (the 'gold watch' approach) and more about providing feedback to the individual about the outcomes

achieved through their project-based volunteering. In some programs, the individual volunteer's experience is reported to the human resource department of the respective employer. As well as individual recognition, EVPs are often adopted in order to achieve corporate recognition in the wider community. EVPs can increase the effectiveness of corporate public relations, marketing and communication campaigns (Points of Light Foundation 2000).

The degree of commitment in the 'charity' model of volunteering has tended to be seen in terms of volunteers who contribute a regular number of hours on a weekly basis. Lyons and Hocking (2000), for instance, define highly committed volunteers (HCV) as those who volunteer for more than 300 hours per year or six hours per week on average. They also argue that:

> If a strong civil society relies on people committing themselves to voluntary activities...it is those who do this in a habitual way who are particularly important. It is they whose model behaviour keeps civil society functioning. (p.44)

In terms of the 'charity' model this is indeed the case. The traditional kinds of activities and jobs that volunteers have undertaken in nonprofits has meant that volunteering 'commitment' in this sense has been crucial to ensuring the continuity of services to people in need. But is this measure of commitment appropriate to the social enterprise model? Regularity of time contribution is not as important in this model. Task-based activities may require an intense period of volunteering hours over one month or one week (but only once a year), rather than the same amount of hours distributed across a year.

The motivations of volunteers may also be different in each model. Volunteering generally seems to defy most people's assumptions about what drives human action especially as it often involves work that is trying, unpaid, and time consuming (Clary and Snyder 1991). Most Australian studies of volunteer motivations have found that altruism is the most frequently mentioned motive, although reasons associated with social interaction, personal growth and skills acquisition are also prominent (Vellekoop-Baldock 1990; Warburton 1997; Baum et al. 1999; ABS 1996). The 'charity' model has tended to assume that 'altruism' is the key reason people volunteer whereas the

social enterprise model explicitly acknowledges that there are a variety of reasons at both corporate (for example, improved performance, positive publicity) and individual level (for example, developing skills). McDonald and Warburton (2000, p. 9), for instance, found that 'traditional' volunteers undertook volunteering activities for 'affective as opposed to instrumental reasons' and exhibited 'relatively unbounded commitment'. The 'new' volunteers, by contrast, engaged in the organisation 'for largely instrumental reasons...exhibiting specific and limited commitments'. A study of volunteers at The Smith Family also found that motivations varied according to whether volunteers were closer to the 'charity' or the 'social enterprise' model (Zappalà et al. 2001).

MANAGING THE CHALLENGE

What does the management challenge for 'social enterprise' volunteering involve? Moving towards a social enterprise model of volunteering is entering uncharted territory for many nonprofits in Australia and further research is still needed. As was suggested earlier, the management challenge in the traditional 'charity' model is to manage the volunteer 'workforce' professionally, just like any other paid workforce. The first priority for social enterprises is therefore to ensure that they better understand their existing volunteers and that they adopt appropriate practices to ensure volunteers are treated equitably and given the opportunities to fulfill their own goals. There is nothing new about this challenge, it is however, more urgent in the current climate. The second priority for social enterprises is to accept that the emerging model of volunteering requires more than the adoption of human resource management (HRM) techniques to the management of volunteers. Based on the experience of social enterprises to date, some key issues include (Zappalà et al. 2001):

- Creating volunteer opportunities: Business firms that wish to be involved in forms of employee volunteer programs are increasingly approaching nonprofit organisations. This requires nonprofits to create sufficient volunteering opportunities for people who wish to contribute their time in different ways. The challenge is to also create the opportunities that will use the skill base of these volunteers in more diverse and productive ways,

for example, outcome rather than task driven.

- Moving away from 'release' activities: A related issue is the need to better understand the motivations of employees, often in professional occupations, who wish to volunteer for nonprofit organisations on a task-related activity like painting walls. While short-term projects are part of and appropriate to the new emerging model, especially for younger people, there seems to be a need to change the traditional notion of what volunteering means or can involve, for example, volunteering can be about website development as well as envelope stuffing and painting walls.

- Staff/volunteer relations: While in the 'charity' model the issue was often that paid staff felt that the use of volunteers may erode standards, in the 'social enterprise' model the situation is often reversed, whereby an outside 'volunteer' expert has better qualifications than internal staff. This can lead to defensiveness on the part of some staff unless effectively managed.

- Volunteer supervision: While supervision in the charity model is direct, it often needs to be 'virtual' in the social enterprise model. It will require project management skills and dealing with issues such as intellectual property.

- Relations between volunteers: Can the 'charity' and 'social enterprise' models of volunteering coexist harmoniously within the one organisation? The management issues involved in dealing with corporate EVPs and regular service delivery volunteers are quite different and can lead to internal management and staff clashes for the organisation.

Finally, it is important to note that this paper is not suggesting that there is no place for the 'charity' model within nonprofits that follow the social enterprise strategy. There is indeed a danger that 'traditional volunteers are increasingly seen as less appropriate' as nonprofit organisations within community services adopt more business-like practices to deal with a more complex external environment (McDonald and Warburton 2000, p. 11). Instead, the point is that apart from adopting a professional approach to volunteer management (increasingly necessary given the increased demands on service delivery), nonprofits' approach to volunteering will need to be increasingly complemented with the features of the emerging social enterprise model. This will require changing the organisational culture of both staff and volunteers.

CONCLUSION

Research on volunteering as an activity that is conducive to building social capital has traditionally focused on smaller, member-serving nonprofits. Increasing attention is now being given to the social capital dimension of volunteering in larger, public-serving nonprofit organisations. The nature of this relationship, however, is unclear. In part, this is because previous research in this area has focused on volunteering as a source of potential exploitation and as an 'alternative workforce'.

Furthermore, the environment within which public-serving nonprofits are operating is experiencing rapid change and this leads many to adopt a social enterprise strategy. Social enterprises place greater importance on the establishment of partnerships between nonprofit organisations, business and government. This paper argued that the shift from 'charity' to 'social enterprise' also has implications for volunteers within these organisations as well as how they are managed. A 'social enterprise' model of volunteering was sketched out in contrast to the more traditional 'charity' model.

The management challenge for the 'charity' model can be seen as applying professional HRM techniques to volunteers. The management challenge in terms of the social enterprise model needs to go beyond HRM. It will involve creating new volunteering opportunities that use volunteers' skills in more diverse and productive ways. In particular, finding alternatives to the more traditional release activities. Issues with respect to staff/volunteer and volunteer/volunteer relations will also require creative solutions. Many nonprofits that have adopted the social enterprise strategy are still at the beginning of their learning curves and the full implications of 'social enterprise' volunteering require further research. This is particularly important to ensure that both 'charity' and 'social enterprise' approaches continue to coexist in a positive and complementary way.

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ENDNOTES

[1] *See* for instance the multitude of references listed at *http://www.energizeinc.com* and Dollard et al. (1999).

[2] The arguments in this section of the paper draw on the literature referred to as well as The Smith Family's experience in this area (*See also* the results of The Smith Family volunteer survey contained in Zappalà et al. 2001).