



**LEADERSHIP FOR COLLABORATION**  
**New visions of Civil Society and the impact of inequality**  
**and disadvantage in Western Australia.**

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**The topic “Leadership for Collaboration”** is especially relevant in the current environment of increasing individualisation, compartmentalisation and competition.

Not for profits in the social services have been created to respond to a social need or to action a particular ideal or social goal. They are altruistic in nature. Their very reason for existing is to contribute to the society in which they live in an attempt to improve it. Their purpose is not a self-serving one but one dedicated to the benefit of others. They are interested in the building of social capital in an attempt to create a world focused on the common good as well as protecting individual wellbeing.

Their altruistic mission is dependent on identifying and responding to social need. Their closeness to people’s day to day lives allows them to know their reality and to let this reality be known to others. They are charged with knowing and speaking the truths that they discover without fear or favour. It is only in this way that they can advocate for those that they have been founded to help. Not for profits are created to serve. They are required to be open ended and transparent. Their guiding spirit takes them beyond self-interest to a broader and fuller conception of society.

This is the complex yet lucid bedrock on which the societal leadership of not for profits is founded. It is what makes them important to the health of any society as their presence is a reminder of values that go beyond individual self-interest to a genuine concern for all.

The essence to be found in the aims and objectives of the constitutions of not for profits predisposes them to cooperation. The fact that their primary aim is the social and common wellbeing makes them inclined to doing what they can to improve the society in which they live. They have a propensity to share their knowledge and actively work together to the achievement of a common purpose.

Is all that I have said still the reality? Are not for profits still in tune with the spirit that created them? Are those of us that lead not for profits still primarily focused on the common good? These are important questions as they go to the heart of today’s topic but more importantly to the relevance of not for profits in today’s world.

### **The Competitive Environment**

In 1995 the then Hawke, Labor government introduced legislation for a national competition policy. At the time the proposed legislation divided the parliament as can be seen from the following Hansard extracts:

*“... I say in closing that we must remember that the prime objective of this act is to enhance the welfare of Australians through the promotion of competition and provision for consumer protection. While all legislation passing through our hands should be good for Australians, this bill is seen to be more than usually beneficial, placing as it does change and progress before us and making organisations work for the betterment of Australia...” Senator Calvert (Liberal Party) (Senate Hansard, Monday, 26 June 1995, page 1758)*

*“We all know the simple dictionary used by the economic rationalists: competition, market forces, level playing field, economic growth as a sine qua non of human welfare, ‘the market says’, deregulation, smaller government, less tax, consumers instead of people. And so it goes on. Its basis is the stupid and hazardous assumption*

*that humans are driven by an insatiable material greed.” Senator Coulter (Australian Democrats) (Senate Hansard, Monday, 26 June 1995, page 1772)*

It is now difficult to believe that these strongly held, yet divergent opinions formed part of the Australian polity only a few decades ago. The presence of competition policy in Australian society is now largely unquestioned. It pervades large tracts of our public and private lives. It is, in the main, accepted uncritically and allowed to continue uncontrolled even in circumstances where its negative impact is blatant. The then Commonwealth government's hope has come to permeate Australian society far more than it could ever have envisaged:

*The vision of the Hilmer Report was for a national competition policy in which the Commonwealth, States and Territories cooperated to ensure that universal and uniformly applied rules of market conduct apply to all market participants regardless of their form of ownership. The Commonwealth has worked hard to realise this vision... (Senator Crowley - ALP, Minister for Family Services) (Senate Hansard, Wednesday, 29 March 1995, page 2434)*

It is therefore not surprising that the not for profit sector finds itself in an increasingly competitive environment. Competition is intended to bring out the best in organisations irrespective of “their form of ownership”. It is also intended to bring about the best possible outcome for Australian society. It is unclear if not for profit were originally intended to be swept up in this competition policy however, there is no doubt that its original conception included the tendering and contracting out of welfare services.

The competitive environment is not new to not for profits. There has always been competition for funds and other resources, long before competition policy. However, this competition was low level and didn't occur as often or has pointedly as it does now. Today, not for profits are regularly asked to compete against one another in an atmosphere of secrecy and mutual exclusion. Even consortiums that bring some organisations together happen within a context of winning or losing. It is certainly not within a broader atmosphere of mutual support and enhancement.

Competition among not for profits has, in my view, impacted negatively on the fabric of the not for profit sector. Not for profits are no longer as frank and open about service matters as they used to be. It has affected how organisations perceive themselves with an increasing number adopting highly commercial practices. There is growing evidence of self-interest and self-preservation driven by a competitive environment that is both threatening and uncertain. Working within an atmosphere of ongoing competition inadvertently and imperceptibly contributes to the erosion of the altruistic vision that is at the heart of not for profit organisations.

Competition has not been all bad. Government has contracted out more and more of its services to the not for profit sector. This has allowed organisations to grow and have a level of resourcing that was not possible in the past. Organisations have become more sophisticated in their governance and management systems. There have been positive changes in the nature of the contracting relationship with government even though much remains to be done in this area. Most not for profits still deal with one another in a respectful, if more cautious, manner. They still hold common concern about the present and the future. These they share as they try to read the tea leaves in an attempt to safeguard what they have as much as to understand what the future means for their “mission” and their values.

Some say that the not for profit sector holds the contradiction that exists between competition and cooperation well. However, it's doubtful that smaller organisations faced with increasing pressure to survive would see it quite that way. Even larger organisations are concerned about the impact of the new trend of marketization of services on their culture and operational issues such as industrial relations.

It would seem self-evident that competition does not align well with altruism. There is an inherent individualism in the concept of competition that works against an openness and generosity to others. It is difficult to be transparent within a competitive environment, especially one modelled on the "market". The winner attitude that is embedded in competitive actions does not assist us to create a cohesive system. Competition works against the notion of interconnectedness and interdependence.

The "marketization" of social services that has its greatest example in the Job Network contract will cut even deeper into the philanthropic values that are at the heart of not for profit organisations. The word "market" is increasingly being used to describe both the recipients and the providers of social services. The word brings immediately to mind the commercial world and its uncompromising manner of operation. It affirms, even more strongly, the concept of individualism, separateness, competition as well as self-interest. The "market" introduces a greater, more brazen approach to competition for social service contracts. Only last week, Tony Nicholson, the CEO of the Brotherhood of St Lawrence, at a Catholic Social Services Australia forum spoke of the ongoing lessening of the differentiation between for profits and not for profits. He felt that this was a trajectory that would lead to the demise of the not for profit sector in the next 10 to 20 years.

The reality is that we don't have a true market when dealing with social services. The idea that market mechanisms can operate in a context in which government is the sole purchaser is a fanciful one. This is being increasingly questioned by people such as Mark Considine, Dean of the Faculty of Arts at Melbourne University, our own Professor David Gilchrist at Curtin University and a number of others. Research evidence now shows that the promise of the "market approach" that it would deliver greater flexibility and innovation do not eventuate, in fact often the opposite is true. The disastrous experience with the marketization of child care seems to have been forgotten as governments continue to believe in its efficacy. Despite its shortfalls the marketization of services with its inherent individualism both in relation to purchasers and providers is faithfully pursued eg NDIS.

### **Leadership and Collaboration**

In such a competitive environment the desire that many have for collaboration in dealing with social issues seems difficult to fulfil. Seeking it within such an environment presents significant challenges as the preconditions for true collaboration do not exist.

It has already been mentioned that not for profits are inherently altruistic. There is within them a desire for cooperation. They understand that creating a better society cannot be achieved alone. They are aware that social interventions and community development is primarily a communal activity. However, it is difficult to deny, for the reasons articulated above, that the competitive environment has significantly interfered with the ability of not for profits to maximise on this natural predisposition.

The challenge for us leaders of not for profits is how to navigate through the individualistic bias of our times to reconnect more fully with the philanthropic nature of the organisations

we lead. In a very recent research paper Prof. Mark Considine makes the following observation:

*We find that profit maximising attitudes (of NFP) have increased dramatically between 1998 and 2012. Yet, despite this, we find no correlation between a profit-orientated disposition and the rate at which services improve for clients. We conclude that while becoming more businesslike might be beneficial for a host of reasons, it does not appear to help agencies meet their key performance indicator: achieving outcomes for those they seek to serve. (Third Sector Review, 2014)*

It seems that, if it were not for the contractual demands from government to be more commercial, we could abandon the profit-oriented settings and once again focus fully on achieving the “key performance indicator” mentioned above in the knowledge that there would be no negative consequences for the people, the community and the nation we serve.

It is not the service of clients that requires not for profits to be competitive with one another. It is simply the system that we, as a society, have chosen. It would appear that this system may have some benefits but it is not essential to improve the lives of people in need.

The profit orientation that flows through our society is pervasive in its influence and is taking not for profits increasingly away from their main aim. Leaders need to reassert the altruistic nature of their organisations. To have true collaboration we need to have a common and overriding purpose. The overarching aim that can bring us all together is the creation of a society that is committed to the enhancement of life in all its forms. This is not some whimsical statement. Leaders will find such a vision embedded in their constitutions however this may be expressed.

Without a common vision and purpose it is unlikely that true collaboration on any significant scale can ever occur. This is perhaps the greatest test that organisational leaders face. Articulating such a vision can appear a very difficult task if it were not for the fact that it can be found in our statutes. No matter how urgent or desirable a particular social result may be, it is unlikely that effective collaboration can occur unless there is an unambiguous, selfless commitment to a common outcome.

*“...collaboration is difficult to attain particularly where there are competing priorities, interests and values. Indeed, it requires strong levels of mutual understanding.”  
(Ryan, Neal F. et al. 2006)*

Collaboration can occur at different levels and in different ways however, not for profits cannot be allowed themselves to be limited to minor projects that are worthwhile but that have little impact on the systemic issues that create poverty, injustice and disadvantage. It is the latter collaboration that is being discussed in this presentation. Not for profit leaders must be strong and courageous enough to challenge the prevailing orthodoxy. They need to see collaboration as an opportunity to reaffirm fundamental values that lead to the genuine care and concern for others. Joint activities whose primary motivator is self-interest can never be true collaboration. Leaders of not for profits need to approach collaboration with a purpose that is devoid of self-interest if they are genuine about achieving a societal good. Any positive outcome for individual organisation that may result from such collaboration is no more than a by-product of altruistic action.

Leaders of not for profits need to ask whether it is possible to achieve collaboration while they are immersed in a competitive and increasingly commercial environment. We need to reflect on what is necessary to achieve the type of collaboration that is expansive in its vision. Such reflection will necessarily bring us face to face with those practices and beliefs that separate rather than unite. It will also ask questions as to our commitment to our organisation's social vision and mission.

Today's leaders of not for profits will need to discuss how they can more effectively collaborate to bring about the vision of community and society that inspired each not for profit. We may need to take the risk to be less competitive and more supportive. Less concerned about market share and more committed to the common good. More about vision and less about survival.