

Working for Nothing Corporate lessons from nonprofits

"I don't understand it. We've offered him a bonus of half a million dollars to stay on – and he's still set on leaving."

The key was what he wanted to do instead – without being paid a single cent.

Ask your colleagues about the work they do for nothing and you may be shocked. You could learn more about them in three minutes than in the last three years working together. At most executive conferences I ask the audience the same question: how many people have given time to work for nothing in the last year for a cause you really believe in? And almost without exception, in every nation, there's a forest of hands. Volunteering is a rapidly growing phenomenon, a common passion even amongst the busiest executives, and a vital issue for corporations to understand.

And what is even more interesting than to find out "what" is to ask "why"? Time and again you will hear moving accounts of people on a journey: a family tragedy, a friendship with someone who started a new community programme, meeting someone in desperate need, wanting to participate in activities that support the children – and so on.

Conference halls light up as people begin telling their own stories: real heart-filled accounts of time and energy poured out into situations that need help. I have never ever witnessed anything remotely like it, in any discussion of marketing campaigns, business challenges, management successes, product failures, financial objectives, operational plans or strategic targets. Actually, there is just one exception: you can often find the same in non-profits, where a high percentage of workers are unpaid,

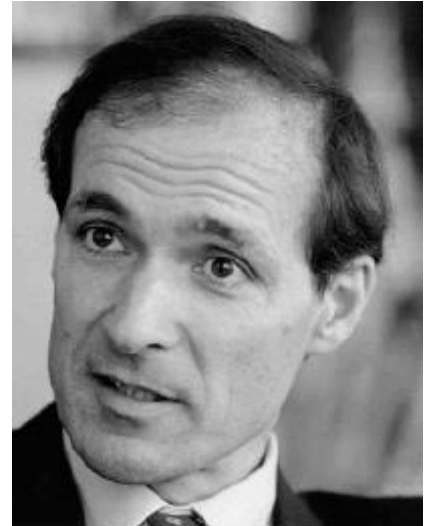
or working for very little financial reward, with a sense of personal vocation, on a mission to make someone's world somewhere a better place.

There's a crisis of motivation at work, as shown by a fortune spent every year on the latest management fad, books, videos, conferences and internal programmes. At the same time, many people have this intense drive, when touched in the right way, to work for absolutely nothing.

These community involvements by executives in corporations are often private, usually result from a personal story, and can be hard to talk about, but lessons from nonprofit activity should be on the agenda of every executive board, not least because it means far more to many directors than the profit-focused businesses they run.

Around six out of ten adults in the US now work without pay in any year for causes they believe in. The average volunteer gives 200 hours annually, contributing the equivalent of 4.5% of American GDP. In Europe the figures are lower but still substantial. Take the UK for example where 43% of adults give time each year, worth £40bn or 4% of GDP.

But there's a problem with paid work. I have rarely met a Chairman or CEO of a publicly listed corporation who is truly passionate about shareholder value, bottom line profit or return on equity – compared to the passion they express about their children, or community causes they are involved in, or whatever else they give energy to outside of the business. Strange then that that board members should think that anyone else will be deeply inspired by a vision of making their numbers every quarter. Who cares?



Dr Patrick Dixon

You cannot expect a CEO to have true passion about a corporation when the average length of service before being sacked or pushed out is little more than three years in the UK and similarly short elsewhere. If you don't make your numbers for three successive quarters you could be on the way out. The corporation has almost zero commitment to the individual, so it is unrealistic to expect the individual to lay down his or her life for the corporation.

This volunteering desire is all part of the same radical rethink about life that has also focused on work-life balance, corporate ethics, corporate governance and social responsibility, and reflects the spirit of a new age, a spirit that will become essential for future business survival.

Last-century success meant making big profits for shareholders, with few questions asked. Real success in future will be far more difficult to define. It will mean demonstrating how your corporation makes a real difference for everyone: for shareholders of course, but also for your customers, and your workers, for the wider community, and in some small way for the whole of humanity

– for example by protecting the environment.

Many corporations are still driving their strategies by profit considerations alone, with minor concessions to what they see as necessary requirements such as corporate governance, social responsibility or environmental protection. This narrow philosophy can be disastrous, as Nestle found recently when they tried to recover a few million dollars of old debt from a nation of starving Ethiopians, or embarrassing and damaging, as the pharmaceutical industry discovered, when they were forced by public outrage to permit "illegal" manufacturing of low-cost life-saving generic drugs by the poorest nations.

So what of the future? Expect more corporations to start adopting some of the language, culture and characteristics of nonprofits, while nonprofits will continue to make huge efforts to become more business-like. Between these two the public sector will struggle to compete with either the passion found in single-issue nonprofits, or the efficiency of corporations. Expect well-run nonprofits, led by spiritual refugees from corporate life, to seize a growing share of government contracts, especially in health care and education, and to attract huge talent.

Non-profits are a growing part of the UK and US economies and can have significant advantages because their mission is pure and simple: "We exist only to help those in need of our services. We do not exist to make profits for shareholders and all the surplus we make is ploughed back into developing even better services in the future."

However, the down-side is a reputation outside of the commercial environment for inefficiency, sloppy management, restrictive practices and resistance to change.

Connect with all the passions people have and they will follow you to the ends of the earth, they will buy your products and services with pride and often work for next to nothing. That is the secret of the voluntary sector. Business has a lot to learn. But so do non-profits and public sector groups – about being more focused, efficient and future-orientated.

Action Steps for Public Sector and Non-Profits:

- Make sure your mission is clear and attractive
- Communicate with passion and integrity
- Show how your organisation builds a better world for everyone
- Prove that you are as well managed as the best businesses
 - Benchmark against best-practice in commercial organisations
 - Implement radical changes where needed to reach commercial levels of efficiency
- Explain how your non-profit motivation makes you different
 - No shareholders to satisfy
 - Total focus on those who need your help
- Make sure your people are proud of the work you all do
- Help your teams see how they make a real difference to people's lives
 - Get people close to where the action is
 - Regular exposure to what the organisation is all about eg *private hospital administrators spend time with patients*
- Live your message and your mission!



Lessons for Corporates:

- Take personal passion seriously
- Make sure you understand what your staff and customers feel most strongly about – outside of your business, and harness that energy - for change and productivity
- Show how you make a real difference because of what you do
- Show how your business builds a better world for everyone
 - Customers
 - Shareholders
 - Workers and their families
 - Community
 - Wider humanity
- Encourage volunteering and community involvement
- Make sure your people are proud of the corporation
 - What you do
 - How you do it
- Turn your mission statement into a daily reality

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