

## ENTREPRENEURSHIP AND THE THIRD SECTOR: VOLUNTEERING PRACTISES IN NOT-FOR-PROFIT ORGANISATIONS.

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### ABSTRACT

The philosophy of adopting and adapting entrepreneurial business approaches in the management of not-for-profit (NFP) organisations has steadily grown. Especially in the light of the recent global financial crisis, NFPs need to build internal and external capabilities that are differentiated from competitors. Developing and running a sustainable not-for-profit organisation is only possible if an organisation has strategically planned and built in innovative and entrepreneurial survival mechanisms such as such as cause related marketing strategies, alternative revenue streams, or through the 'employment' of volunteers to help 'run the business'. This paper explores the use of different revenue streams in NFPs and examines the value that results from working with volunteers.

### INTRODUCTION

There were just over 41,000 NFPs registered and operating in Australia at the end of 2007, according to the Australian Bureau of Statistics (ABS), employing just under 890,000 people (ABS, 2007). This large and growing number of not-for-profits of all sizes and values forms an important part of the Australian economy and contributes significantly towards economic growth in areas such as mental and physical health, social welfare, the environment, the arts, sport and education (Goldstein, 2009; Tyler, 2005).

#### **Not-for-profits and Social Entrepreneurs**

It is well established that a not-for-profit organisation is operated for a benevolent purpose without any financial benefit for its founders or for those who support it (Dees, Emerson and Economy, 2001a; 2001b). Like their for-profit counterparts, NFPs are businesses created and governed by laws that prescribe the way the enterprise can enter into legal contracts, sue and be sued (Lasprogala and Cotton, 2003). NFPs are often tax exempt. NFPs are also required to have board members and directors as prescribed in the *Corporations Act 2001*. However, one of the biggest obstacles for a not-for-profit (NFP) is that the regulations that govern NFPs could be considered inconsistent and confusing due to the different jurisdictions in which the NFP organisation may operate (ASIC, 2009).

Salamon and Anheier (1998: 216) describe NFPs as commonly having five key features;

- i. institutionalised to some extent
- ii. separate from government
- iii. pay out no return of profits to their owners or directors
- iv. self governing organisations
- v. have some meaningful degree of voluntary participation.

The contradictory phenomena of the twentieth century: unprecedented wealth creation and a growing gap between rich and poor (Reis, 1999), has led to the growth of NFPs and the emergence of the 'social entrepreneur', a newly described innovative business leader who has set out to enrich and strengthen the NFP sector. The influence of social entrepreneurship on the traditional third sector is relatively new (Francis, 2008, 2010). Even though the discussion on clear definitions of social entrepreneurship in the available literature is ongoing, descriptions do have in common that the business focus of social entrepreneurs is on the solving of complex social and environmental problems rather than on exponential growth, short term financial gain or economic return on investment

(Bornstein, 2004; Borzaga and Defourny, 2001; Burnett, 2009; Dees, 1998a; 2001; Dees, Emerson, and Economy, 2001; Dart, 2004). On the contrary: "...social entrepreneurship is based on a process whereby the creation of new business enterprise leads to social wealth enhancement so that both community and the entrepreneur benefit." (MacMillan, 2003:1). In the face of this social mission however, businesses still need to make money to sustain themselves and their employees. Austin, Stevenson and Wei-Skillern (2006:2) therefore prefer a more narrow definition, whereby social entrepreneurship typically refers to the application of business expertise and market-based skills in the 'third' or not-for-profit sector (Reis, 1999; Thompson, 2002). In particular, skills in how to simultaneously manage paid and unpaid staff and skills in how to generate alternative income streams and a profit attract interest (Burnett and Campbell, 2010; Francis, 2008; Paull, 2007). Using this marriage between social innovation and entrepreneurial activity, has allowed social entrepreneurs to build hybrids from for-profit and not-for-profit business models, hence the creation of 'social enterprises'. With this concept, the traditional boundaries between the public, private and third (NFP) sector have begun to blur (Johnson, 2003).

There are a variety of types of social enterprises. These include community service enterprises, trading arms of charities, employee owned businesses, co-operatives and small and medium size businesses (SME) with a specific social mission (so called social firms). Researchers report that these types of NFPs are rising in status (Borzaga and Defourny, 2001; Dees, 1998a, 1998b; Grenier, 2002; Shaw, Shaw, and Wilson, 2002). In addition, researchers noted that NFPs that build internal and external capabilities that are differentiated from their competitors and commercial counterparts are most successful (Austin et al, 2006; Burnett and Campbell, 2010; Francis, 2008). One example of this is the use of cause related marketing campaigns, and another is working with volunteers (Paull, Holloway and Burnett, 2010a, 2010b).

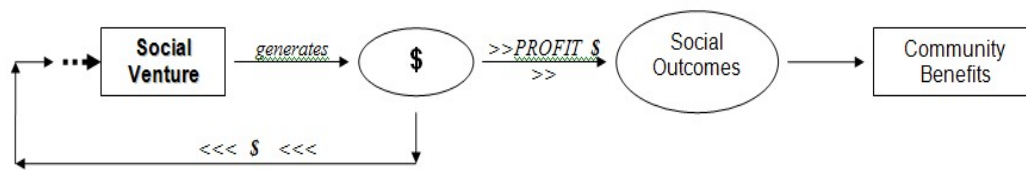
### **NFP Revenue Models**

Traditionally, the great majority of not-for-profit organisations have relied on direct funding (cash) from government or other community service groups, which allows them to continue to operate. In total, the third sector now receives over 76 billion dollars a year in direct and indirect sponsorship; around one third in the form of funding from federal, state and local government, around 30% from services and about 10% through donations, fundraising and private sponsors (ABS 2007). In addition, indirect funding occurs through other means; for example in the form of the provision of a building, equipment, or through volunteering (Paull, 1999). However, with the increase in the number of NFPs in the recent decades governments at all levels grapple with the multiple demands on public funding while having fewer resources available for each individual organisation (Cannon, 2000; Westlund, 2001). Simultaneously, a fast changing landscape in the corporate world through mergers and acquisitions has also led to a decline in the level of sponsorship and donations for the smaller individual not-for-profit organisation (Azer, 2003).

The current global financial crisis accompanied by bankrupt businesses and dire unemployment figures has made matters worse. While smaller traditional NFP funding sources are struggling to keep themselves afloat, the NFP sector is trying to respond to the increased competition and intensifying demands from the public and private sector to improve effectiveness and sustainability. Those NFPs that are moving from a traditional charity paradigm to the revenue generating business model of the 'social enterprise' attract most interest (Burnett and Campbell, 2010; Fowler, 2000; Francis, 2008; Johnson, 2000; 2003; Lasprogala and Cotton, 2003).

Where many not-for-profits rely on funding, charity and donations, social enterprises adhere to a so called '*double bottom line*': being faithful to a social mission, and being able to build a financially sound and sustainable organisation (Dees, 1998a, 1998b; Emerson and Twersky, 1996; Fairfax, 2004; Frances, 2008). Burnett and Campbell's (2010) discuss this concept through a loop process (reproduced in figure 1 below) whereby generated income and profits translate into social outcomes (the cause or NFP projects) and into the reinvestment of the enterprise itself. In this case, both business and community wins.

**Figure 1: Social Enterprise Business Model of NFPs**



Source: Burnett and Campbell, 2010, p.5

To promote a double bottom line principle and differentiate themselves from their competition, increasingly, large corporations, but also SMEs are incorporating cause related marketing strategies (hereafter CRM) into their overall business plan. Much is written about the benefits of this rapidly growing marketing technique that is based on mutual relations between for-profit and not-for-profit organisations (Baronne et al, 2000; Varadarajan and Menon, 1988; Webb and Mohr, 1998). Early examples of CRM involved donating a percentage of the cost of a product to a specific charitable organisation by featuring their logo on the packaging of the product in addition to their own. It is envisaged that by doing this, customers would react to the good cause by buying the products, but also look favourably upon the good nature of the company. While the NFP receives free advertising for their cause, some income from their sponsor and a possible increase in memberships, the commercial partner can increase and in some cases significantly increase their bottom line and rate of return of investment (ROI), (Maignan and Ferrell, 2004). These days, even though CRM principles have stayed the same, social media is allowing companies that are promoting ‘to help a cause’ gain rapid attention and expand more easily in the market place. Also people who support the cause spread the word more quickly to their family and friends via the internet (Baronne et al, 2000). Examples of this type of double bottom line campaign include the Smith family and Office Works, where OfficeWorks is funding over one hundred student scholarships in the Smith family’s learning programs for the poor (the Smith family, 2010) and Clorox’ ([www.Clorox.com](http://www.Clorox.com)) ‘Promoting a Bright Future Contest’ where Clorox and other commercial companies give away money to causes that are introduced by schools via the internet and voted upon by normal everyday citizens who are trying to make the world a better place.

### Volunteering

Apart from improving external revenue models and using cause related marketing tactics, over 2,182,000 volunteers donate their time to NFPs by a way of ‘free labour’ (O’Donoghue, Mcgregor-Lowndes and Lyons, 2006). These figures indicate the substantial size of the sector within the economy and illustrate that volunteering forms an important part of Australia’s foundation for NFP enterprise and social capital. In the face of this large size and importance, previous research in volunteering has discussed and shown how difficult it is to actually arrive at a definitive understanding of what constitutes volunteering. Studies undertaken by Ascoli and Cnaan (1997), Cnaan, Handy and Wadsworth (1996), Cnaan and Amrofell (1994), Noble, (1991) and Paull (1999) on the phenomenon have illustrated that a fundamental reason for this ambiguity is that ‘volunteering’ and ‘volunteer’ are concepts that have different meanings for different people. Despite this difficulty, there are some generally accepted descriptions in Australia. The Australian Bureau of Statistics defines a volunteer as ‘someone who willingly gives unpaid help, in the form of time, service or skills through an organisation or group’ (ABS, 2000:1). ‘Volunteering Australia’, the peak national organisation for volunteering uses a definition that was the result of a national consultation (in 1996) with a wide range of stakeholders including volunteers, personnel of NFP organisations, policy makers and unions, (Cordingley,2000). This definition read as follows:

*“Formal volunteering is an activity which takes place through not for profit organisations or projects and is undertaken”:*

- i. to be of benefit to the community and the volunteer;
- ii. of the volunteer’s own free will and without coercion;
- iii. for no financial payment; and
- iv. in designated volunteer positions only

Source: (Volunteering Australia, 2010).

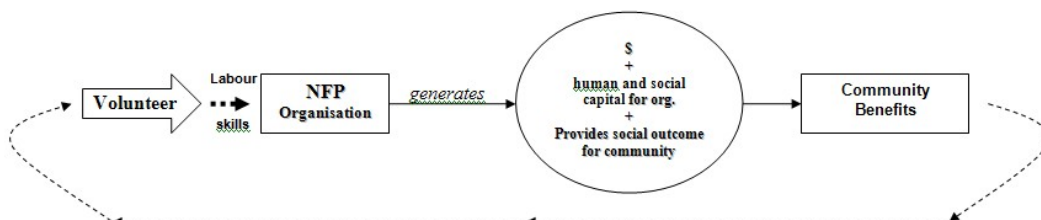
In the lead up to the United Nations International Year of Volunteers +10 celebrations, there has been debate about the continued relevance of this current definition of volunteering. Recognition of the contribution of volunteers in organisations which are not in the not-for-profit sector, such as hospice volunteers in private hospitals, or event volunteers in commercial sporting events, has led to calls for a revision of the standard definitions which have prevailed for the last decade.” (Bertilone and Holmes, 2010).

The Multi-Paradigm Model of Nancy Macduff (2006: 33-36) in the Volunteer Leadership Magazine describes four models of modern volunteerism;

- i. traditional volunteering; in its purist form, distinguished by stability and predictability. The organisation determines what volunteers do, and volunteers provide consistent and regular services to the organisation,
- ii. serendipitous (episodic) volunteering; whereby volunteers want to work at particular times with a flexible supervisor in a ‘loose’ organisational structure. The person might come back to work again, maybe in a week, maybe next month or maybe next year,
- iii. social change volunteering; whereby volunteers seeks something radically new — a system, a program, a service, based on his/her perceptions of the unmet needs of members, clients or communities. The person does not necessarily need to have a specific job assignment in an organisational context to begin working, and
- iv. entrepreneurial volunteering; for those who regard themselves as self-appointed doers. They act outside the boundaries of organised or formalised volunteer programs, and have an intense personal desire to do justice their way.

Working as a volunteer has as many benefits for the organisation as for the volunteer (Paull, Holloway and Burnett, 2010b). It provides the organisation with free labour and the individual with an opportunity to participate in a different social or business environment, where they can increase their professional and personal skills (Cordingley, 2000; Dingle, 2004; Quine 1999). In addition, Adair (1997) found that women volunteering within the welfare sector do not only learn different skills, but that they build new confidence as they enjoy a challenging and fulfilling experience and status that is quite different to their unpaid role within the domestic sphere. Also the Australian ACOSS study on volunteering (1996) showed direct links between volunteering and skills building and finding paid work. Volunteering however is not always valued in society as it should. On the contrary; organisations working with volunteers are often under resourced, employees coordinating volunteers are often underpaid and the work that volunteers provide is regularly brushed away as ‘helping out’ instead of respected as true labour (Paull, Holloway and Burnett, 2010b). Yet, many would argue that without volunteers, community as well as business would suffer greatly. Figure 2 depicts the benefits volunteering bring to both the organisation and the community.

**Figure 2: Benefits of Volunteering**



It has been largely accepted that volunteers should be ‘managed’ according to the principles developed for the management of paid employees, albeit with some adaptation to account for the voluntary nature through which work is undertaken (Paull, 2007). There are a number of interesting comparisons to be made between the running of commercial businesses and those who are not-for-profit, with Drucker

(1990: 181) noting that *"in no area are the differences greater between businesses and non-profit institutions than in managing people and relationships"*. Geber (1991: 21) agrees with Drucker in remarking that *"exemplary nonprofits (sic) have become much more clever at managing people"*.

In order to explore the use of alternative revenue streams and the contributions volunteers make to the survival and/or growth of NFP organisations a research project was undertaken in Western Australia with a survey sent to over a hundred volunteer involving organisations.

### Research Methodology

An online survey (completed in late 2009) was sent to a large number of not-for-profit organisations that were part of a database held by Volunteering WA. All member organisations were invited to participate via an email link to the survey instrument. The invitation was not targeted to any specific participants and was not traced. One hundred and fourteen (114) logins were registered, with fifty eight (58) respondents completing the survey. The survey instrument consisted of a multiple choice questionnaire containing demographic information about each organisation followed by questions about the set up of the organisation, governance, income and revenue streams, this was followed by a section on the recruitment, performance and assessment of volunteers. Space was also provided in different sections for open questions and free answers. The data was collected in excel spreadsheets and the sections with free answers were copied into NVivo software.

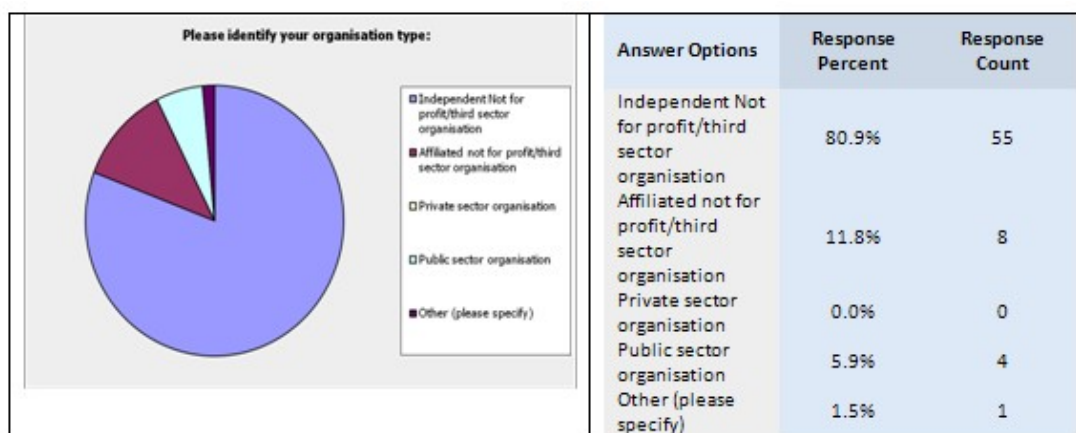
### Survey results

Even though there were 58 completed surveys, the number of responses varied for each question. The analysis in this research paper however, discusses findings that were elicited from **all** the survey responses by the research team (114). Even though some participants skipped questions or did not finish the survey, many of their answers were found to be interesting from a qualitative perspective and have thus been taken into account in this exploratory paper. Future research using quantitative data analysis will omit these results. The analysis of this research will focus on three main areas: NFP types and categories, different revenue strategies and the value of volunteers.

### Classifications of NFPs

There is commonly some confusion about classifications, structures and different types of not-for-profits (ASIC, 2009; ATO, 2010; O'Connell, 2002). This confusion, due to the different sets of regulations on not-for-profit status and sense of belonging in different states, was found among the respondents in the survey as well. Figure 3 shows that when participants were asked to firstly identify their organisation according to sector, sixty eight people (nearly 80%) declared that they were independent NFP organisations and around another eleven (11.8%) stated that they were at least a third sector affiliated NFP in some form or other. This adds up to over 90% of the respondents identifying in some way with the third sector. No-one identified with the private sector which was to be expected with this sample.

**Figure 3: Type of NFP by Sector**



When asked, what type of industry sector the organisation represents, fifty eight people answered the question. Table 1 shows that more than half of the respondents indicated that they came from the



service delivery sector, five classified as environmental organisations and five classified as recreation/sport/leisure sector.

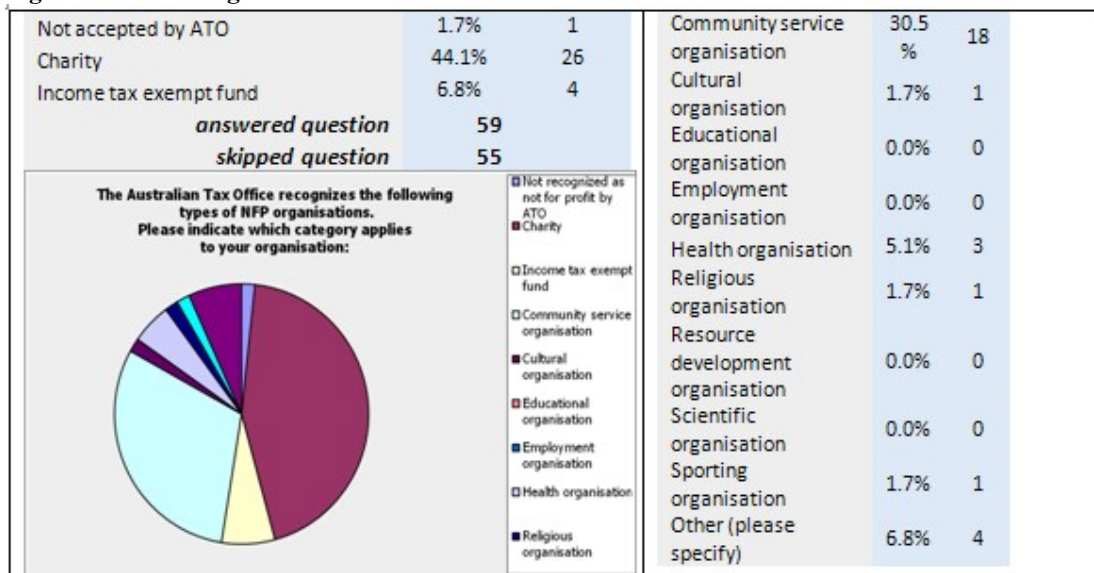
**Table 1: Type of NFP by Industry**

Industries	2009
Service delivery	35
Recreation/leisure	5
Campaign/lobby/action	0
Self help/mutual support	2
Research	0
Environmental	5
Other	11
<b>Total</b>	<b>58</b>

In addition, there was a category 'other' which was represented by a government agency, office works, an annual festival, a Business Enterprise Centre (BEC), several community group organisations, child care, health and opportunity shop.

However, a third question posed, trying to classify the respondents used a categorisation introduced by the ATO. This brought about a slightly different result. The Australian taxation office identifies a number of not-for-profit organisational types or structures in their income tax guide and respondents were asked to indicate under which categories they believed their organisation could be classified. Figure 4 below shows that nearly half of the respondents classified themselves as a charity. Here a third (not half as in table 1) classified themselves as a community service organisation. Whereas in the previous table, five organisations stated that they are an environmental entity, environmental organisations are not mentioned as a category in the ATO tax guide (2010). The same is found for the recreation/leisure category, although 'tourism' appears under resource development organisations. Social enterprise gets no mention either, whereas some social enterprises would fall under other aspects of the ATO. The 'other' category counted this time only four organisations.

**Figure 4: ATO categories of NFPs**



Fifty nine (59) organisations answered the question, while fifty five respondents skipped this question. Respondents could easily feel confused between the variation of classifications and the complexities of 'who' and what NFP organisations are.

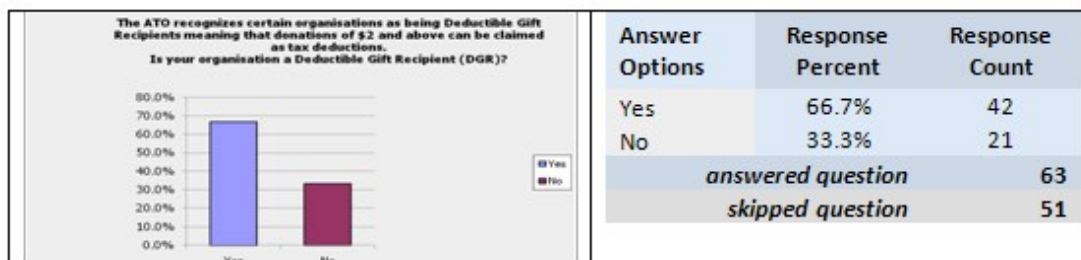
### Alternative NFP Revenues

In an earlier paper Burnett and Campbell (2010) and researchers such as Francis (2008) and Lasprogala and Cotton (2003) have argued that NFPs should move from a classic charity income model to a self-generating social enterprise income model. Apart from Government funding, the first revenue streams highlighted by the respondents in this research were found to be the classic incomes in the form of donations and gifts from other businesses, groups of supporting people and individuals. For many NFPs, this still forms their bread and butter. Seventeen respondents remarked that they received some form of sponsorship and remarked on how their organisation is relying on the good intentions of individual sponsors and prominent political or business people. Both financial as well as in-kind forms of support were reported on and most of the relationships seemed to have of an ongoing nature. Sympathy for the cause seems the motivation for most who donate as the following quotes suggest:

- “We have several sponsors who donate funds or goods and services to subsidize our events on an ongoing basis.”
- “We have the previous Governor General of Australia as National Patron.”
- “Corporate sponsors promote our message on health and help raise funds”.
- “We have investments via Bequests made.”
- “Membership fees”

Another way to increase donations is to advertise that ‘gifts are tax deductible’ for the donor. To be acknowledged as a tax deductible donor, a ‘gift’ must be made to a recognised deductible gift recipient (DGR). Deductions for gifts can then be claimed by the person or organisation that makes the gift (the donor). In order to be able to use this marketing tool, an NFP has to obtain the status of DGR by the Taxation office. There are specific requirements to obtain this status and only certain NFP organisations are entitled to receive income tax deductible gifts and tax deductible contributions. In the survey, the respondents were asked in a simple YES or NO question to determine how many organisations made use of this form of revenue promotion. The result is shown in figure 5, where over two third of the respondents declared that they were a DGR with a third indicating that they were not. Interestingly, half of the participants never got this far into the survey or skipped this question; some perhaps confused whether their organisation had this status or not.

Figure 5: DGR status

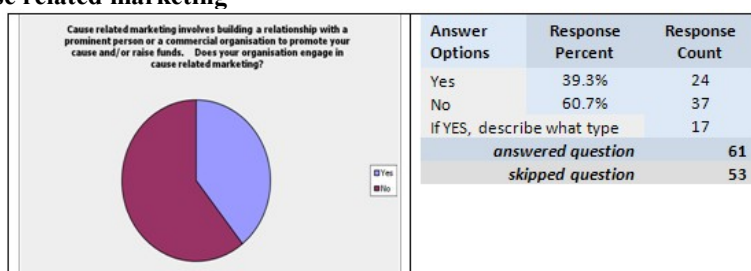


Fundraising was reported on in various ways with “Fundraising through selling Christmas cards” and “Bingo night” among some of the answers.

### Cause related marketing

Despite the media coverage of good deeds by prominent or famous citizens and research reporting on the financial growth of organisations that partner with NFPs, Figure 6 shows that less than forty percent (40%) of the respondents currently use cause related marketing strategies (CRM) as a form of revenue raising. The other sixty percent were not actively engaged in this phenomenon.

Figure 6: Cause related marketing



Respondents were given a chance to provide free answers to this question in the hope of uncovering more specific information with regards to what type of relationships NFPs hold with their commercial partner and what the benefits were for both parties. The benefits are clear and several strategies were elaborated upon:

- *“We promote awareness of the charity; we link with prominent sports people and commercial organisations as “partners” and “sponsors.”*
- *“Community Partners and Corporate sponsors. The community partners co-brand information and resources to share costs and this increases the amount of people to whom our message is delivered.”*

Some respondents use CRM for specific reasons such as: *“various competitions and tournaments”, “International women’s day events”, “The community Sporting event with media Partners” and “McDonalds Restaurants collect funds for the Charity through in store money boxes on annual McHappy Day.”*

This last quote is a good example of how a well known logo can be used to promote a good cause. Other respondents have longstanding relationships with for example:

- *“The State Library & National Archives marketing arm.”*

One respondent reported on a double bottom line strategy, bringing in financial support as well as labour:

- *“We partner with a national commercial organisation who sponsor our organisation and also allow their employees to be volunteers in our program during work time for one hour per week throughout the school year.”*

Another respondent was specific, but new to this type of relationship and stated that:

- *“This is currently being pursued to raise funds & capital for the new building”.*

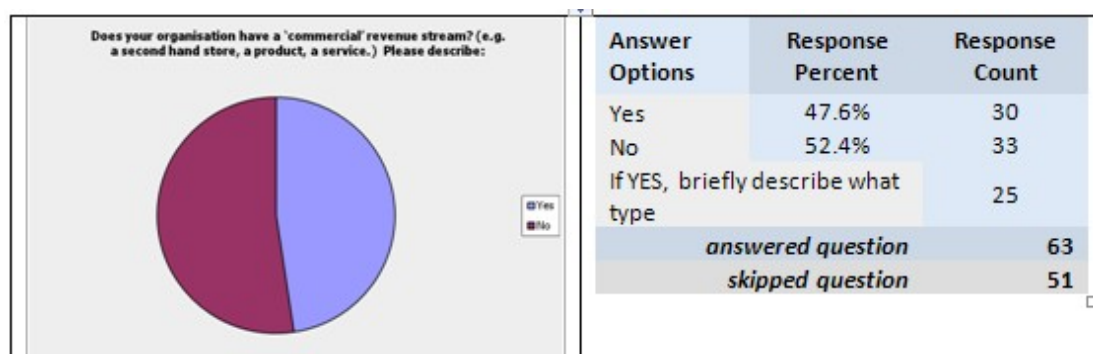
Another was even more specific about why they were working with a commercial partner and what the money would be used for:

- *“The Refurbishment of the community crèche.”*

### Social Enterprise

In addition to cause related marketing, nearly half of the organisations surveyed have taken a step further and are currently generating revenue streams themselves. This result is portrayed in figure 7 below.

**Figure 7: Social enterprise**



The responses were classified here into two categories: services and products as each require a different set of skills and have different requirements with regards to the capabilities, layout and set up of the organisation. Some services examples were:

- *“Services provided to people with disabilities, funded either privately or by government.”*



- *“We provide holiday services to tourists.”*
- *“Coaching services to schools.”*
- *“Training is on 'fee for service' basis”*
- *“Home services ie. cleaning and transport.”*
- *“Cleaning and maintenance”*
- *“...developing skills training arm.”*
- *“ We provide services to the community which brings in some income. (internet, banking outlet, mobile phone sales, photocopying, Snaplab, etc.).”*
- *Thrift Shop*

This last example shows particularly the different business skills the organisation needs to have available to be successful: IT and internet savvy and administrative, communication, training and technical skills.

With regards to products, the following responses were highlighted:

- *“Cafe/Gift Shop.”*
- *“Souvenirs.”*
- *“Op Shop.”*
- *“We sell small items of merchandise with our logo.”*
- *“Bookshop”*
- *“We have small income from our opportunity shop where we receive donations from the members of the public.”*
- *“Commercial businesses with a product that includes the logo and message.”*
- *“Sale of non essential items (organisation collects household goods to distribute to those in need - non essential items are sold to keep the doors open).”*
- *“Photography business.”*

Here, the focus was on the buying and selling of stock, marketing, inventory, bookkeeping and financial management. Some of the enterprises were even more complex and have both elements. E.g. one respondent explained that *“The organisation is a tourist railway and runs regular train services to the public at a cost.”*

### **The value of volunteers**

Sifting through the above findings, it became clear that volunteers played a major and active role in the running of the participating NFPs.

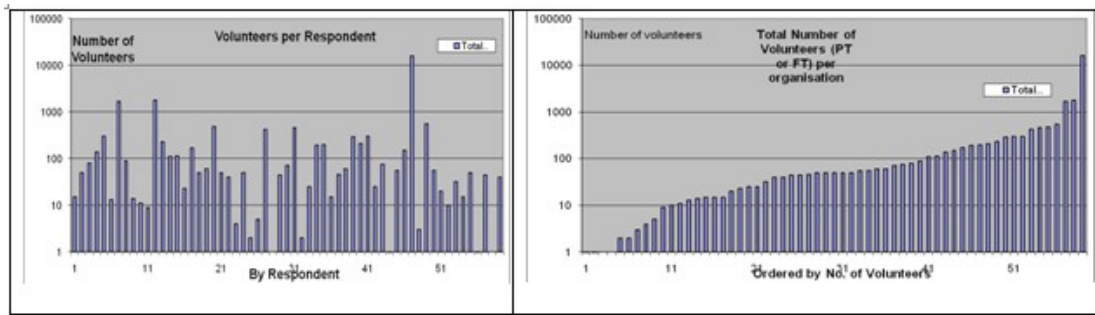
The value of volunteers is discussed here in three areas: i), the number of volunteers that are active in the NFP, ii), the areas where volunteers provided most labour and iii), the amount of time volunteers stay with their organisation.

### **The numbers of volunteers**

The numbers of volunteers in the participating organisations ranged from organisations with zero volunteers to organisations with volunteer numbers in the thousands. Figure 8a and 8b provide an overview of these numbers. Only three NFPs responded that they currently did not work with volunteers. Eleven (11) organisations that had ten (10) or less volunteers working with them, twenty-nine (29) organisations worked with between eleven and a hundred volunteers (11-100), twenty-seven (27) NFPs worked with between one hundred and one thousand (100 -1000) volunteers, two organisations worked with more than a thousand volunteers (1000+) per year and one organisation stated that they worked with over ten thousand volunteers a year (10.000+).

The average number of volunteers in the participating NFPs as shown in figure 8b would be somewhere around a hundred ( $\pm 100$ ). This is a large amount of different types of people; volunteers who move in and out, who want some form of organisational involvement and who require some form of training, guidance and performance management. Whether NFPs have the right management skills and capabilities available to drive this process is beyond the scope of this paper, but would be important future research.

### **Figure 8a and 8b: Number of volunteers**

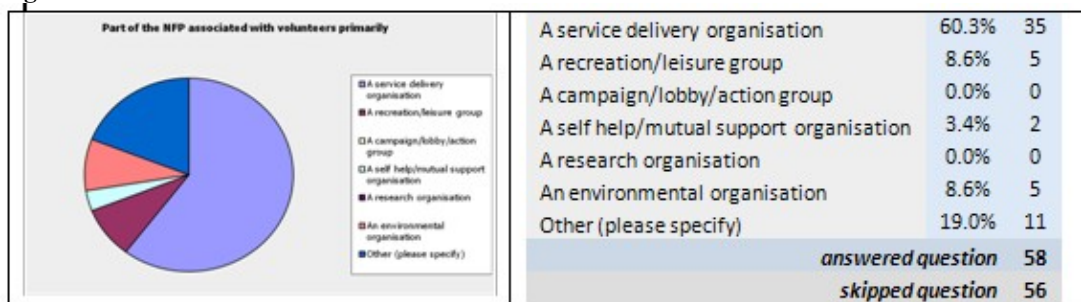


It should be noted, that the large numbers do not necessarily mean that all these volunteers work on a full-time or part-time basis. As Nancy Mac (2006) pointed out, there is a wide spectrum of involvement from traditional regular to spasmodic or one off entrepreneurial individual involvement. This was clarified by some of the respondents as follows:

- “10 in Sydney office in administrative roles and 200+ in event-based roles throughout nation”
- “10 very active, 80 plus on our database”
- “170 16000hrs p a”
- “50 volunteers approx 5 FTE”
- “479 approx 16 fie”
- “5 volunteers (1.15 FTE)”
- “424 (there are no FTE’s)”
- “5 currently, but we have another 46 registered volunteers”
- “550 volunteers of which 1 FTE (the coordinator)”
- “1800 annually for 1 hour each week of year”

Even though the numbers of volunteers vary, the importance of their work varies not. Figure 9 illustrates, that more than 60 % of volunteers directly delivers services to the organisation and community with objectives to: “Raising awareness”, “Raising funds for the organisation”, “Providing support to the organisation” and “providing services to community.”

**Figure 9: Areas of Volunteerism**

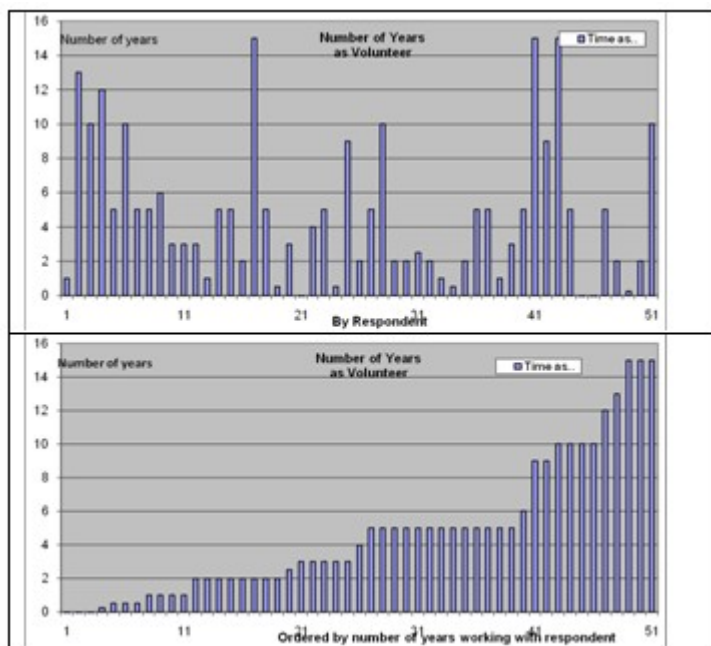


**Involvement of Volunteers**

With this in mind, volunteers perform a variety of important tasks. Tasks found among the survey responses were: delivery of training, cleaning, coach driving and selling. It seems that they help run and man independent social enterprises or entire commercial arms of NFPs such as the mentioned opportunity shops, gift shops, photography business and others. With this, volunteers do not just make up part of the fabric of an NFP, but *ARE the capability* of some NFPs. This is a finding of significance.

The last area with regards to the value of volunteers researched was the length of service of volunteers within their chosen organisation. Figure 10 shows the results first by the number of years a volunteer stays ordered by specific number of the respondent, and in the second diagram the number of respondents were ordered by number of years of service, so one can see the variations.

**Figure 10a and 10b: Length of services of volunteers**



Three organisations declared that they did not have any volunteers currently and some had volunteers staying with them for a short period of time, for example for the duration of a particular campaign or project. At other organisations turnover of volunteers were recorded to be between an average of 2-3 years. Others had a ‘loose’ number of volunteers managed by a loyal, regular and smaller core of people who stayed for many years and became very involved in the running of their organisation. Eight organisations indicated varying lengths of service by categorising the information as “varies”. We cannot guess how long “varies” takes for, but can share some of the responses shown as follows:

- “5 plus years some vollies [sic] there 25 year”
- “anything from 1 day to 20+ years”
- “Between 1 and 18 years”
- “between 2-5 years but some have been here for over 25 years
- “From 1 to 10 years”
- “Not available - Varies from more than 30 to less than 1 depending on circumstances of why they are volunteering”
- “short term projects so usually up to 6 months”

Overall, the average length of time a volunteer stays with an organisation is around 5.05 years, which can be argued is longer than many people stay in well-paid jobs. Loyalty to the cause could perhaps be an important factor here, but one can expect that there would also be other reasons. The information gathered provided some interesting insights and starting points regarding the various patterns of the retention of volunteers in organisations, together with the issue of volunteer ‘turnover’. However, given the length of this paper, these would need to be investigated in future research.

### Summary of the findings and concluding remarks

To summarise the research, this study found that the classic revenue flows apart from Government funding still consist of donations, gifts and memberships. For many NFPs this is the foundation of their income. However, other revenue streams are increasing.

Many organisations have started to focus on cause related marketing and nearly forty percent of participants are successfully developing (long lasting) partnerships with commercial businesses and/or prominent business people.

In addition, an even higher percentage (nearly 48%) of participating NFPs are generating income from social enterprises. This is a positive change from a charity to an enterprise model.

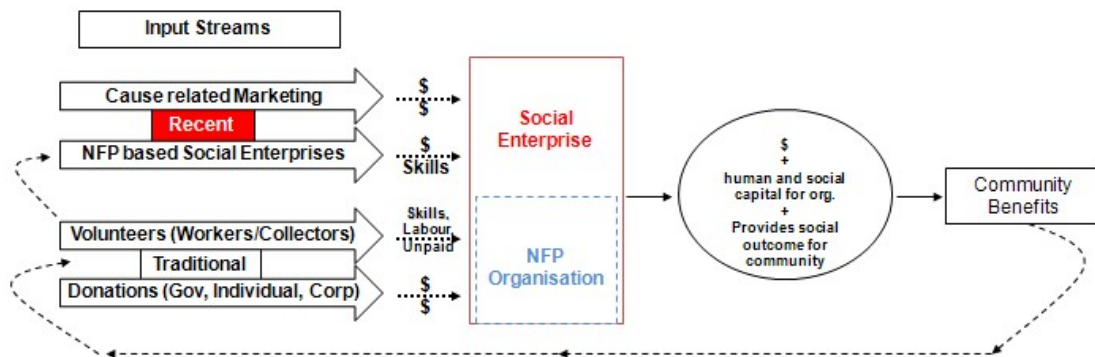
No matter which type of volunteerism is taking place, all of the findings indicate that volunteers actively contribute to the running and growth of an NFP. This is especially so for the small to medium NFP (up to 100 employees).

Moreover, in some organisations they are the heart of the operation and are an important part of organisational capability. .

### Implications for researchers, policy makers and practitioners

There are several key recommendations to be made from this research. Firstly, there is a need for increased recognition of the value of volunteering. This research has clearly shown that volunteers play a direct and vital role in the running of NFPs. They do the work of paid employees and are part of the make up of many not-for-profit and more recently for-profit organisations. Secondly, greater recognition should be given to the entrepreneurial possibilities for NFPs. This research shows that by using for-profit partnerships and business ideas, there clearly is a paradigmatic shift occurring that takes NFPs from a dependent charity income model to an independent self generating income model. This notion is presented in a framework in figure 11 below.

Figure 11:



For this to happen more quickly and successfully, there needs to be a move from a “charity mindset” to an acceptance and adoption of activities which previously were considered taboo in this sector due to their “commercial” nature. Thirdly, adapting an entrepreneurial approach to solve social and environmental issues is not novel. The management of volunteers is neither. It is therefore time that Management and Entrepreneurship theories, which have long been focussed on economic wealth creation, are now recognised as drivers towards the development and creation of social wealth and environmental health.

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