

He Who Helps Others Becomes Helpless:

The Paradox between Organisational Values and Workforce Sustainability in the UK Third Sector

Yu-Min Tu

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Sustainability Studies



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the UK Third Sector**

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This research aims to question and uncover the social sustainability paradox arising from the inconsistent practice of third sector organisations' values, for both their external stakeholders and internal workforce. To achieve so, this thesis discusses how the values are created, delivered and affected through the topology of the third sector, the organisational theories, sustainability theory and game theory. It is identified that altruism is a common trait for the workforce, which works to serve the public benefits. However, the workforce can be impacted through the donor control under the professionalism influences. Hence, there appeared tensions between the third sector organisations and their workforce. Such tensions are associated concerns of social sustainability. In the efforts to unravel the themes behind the tensions, various sets of theories are reviewed and compared. Through the theoretical emergence and evidence of employment hardship, the social sustainability theory is used to examine the tensions between internal value realisation and external value delivery. The lenses of stewardship/democracy governance theories and managerial leadership are applied to develop subset models of sustainability as the hypotheses to reach value consistency. Lastly, the examinations are placed under the prisoner's dilemma theory to echo the importance of consistency of third sector's intrinsic and extrinsic values. In turn, the cooperation links for governance theories and managerial leadership through horizontal communications and power relations are verified for the strategic importance to achieve social sustainability for the third sector workforce. The limitations of this research can be attributable to the simplification and generalisation processes of the theory applications and the definition of the third sector. In addition, the possibility of undiscovered theories and practices, adding to the test of research, can entail the likelihood of different findings or prove otherwise the findings of emergent theories as discovered hereunder.

Keywords: Third Sector, Workforce, Governance, Altruism, Social Sustainability, Prisoner's Dilemma

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1 Introduction

1.1 Research Aim and Questions

The existence of non-governmental organisations (NGOs) in the United Kingdom (UK) can be traced back to the eighteenth century where they serve the society under the influence of Christian propaganda (Hilton, Crowson, Mouhot, & McKay, 2012, p. 12). In the twentieth century, after the World War II (WWII), there appeared to be a significant growth of NGOs in the United Kingdom, escalating from approximately 400 organisations created every year to 1,600 organisations created every year, with at least 50 prominent NGOs established between 1946 – 1997 (ibid, p.25-27).

The function of NGOs provides the strong social fabric to glue the civil society with the state and the economy as well as guiding as a middle way for social orders. It is said that within the tripodal spheres of the state, economy and civil society, civil society provides social movements and promotes justice so that “[t]he multiplicity of networks and associations in civil society leads to consensual, negotiated and provisional social orders” (Persell, Green, & Gurevich, 2001, p. 205). In a society with the tripodal spheres, NGOs are often referred as the third sector.

People working for NGOs are often identified with strong ethos and social values for justice. As a survey reported, those who have altruistic values, less materialistic in general, a moral principle of care and care of social justice and orders are more likely to be motivated to make the world better (Bekkers & Wiepking, 2011, p. 941).

The commonality of both the NGOs and their workers is to provide a society a more sustainable future where social justice and social orders are realised through their imperatives (Persell et al., 2001, p. 205). However, within the third sector, which is considered to be the practitioner of altruism and social justice, there can be a question of consistency of values created and delivered by the third sector.

Naturally, the third sector advocates public good over private profit, effectiveness over bureaucracy. The ideologies and values of the third sector come to be its strongest feature, aiming to deliver a promising future without damaging the earth, sacrificing the rights of the minorities, unfair pay or extreme poverty, to name a very few. These values are often why the third sector organisations came into existence. However, it is also a perplexing phenomenon that the third sector’s job market is heavily influenced by the doctrines that dominate the private and public sectors.

Looking closely, the third sector organisations (TSOs) face employment issues just as any organisation from any other sector. In particular, fixed term contracts and unpaid internships in TSOs are seen as key ways of increasing productivity, besides other forms of employment. If this creates impact on TSO workers and prospect workers to support their own wellbeing as rightful individuals in the society, it will raise the question of whether such practice is sustainable for the workforce. Fixed term and unpaid intern workers can face challenges to sustain their livelihood while realising their altruism for the greater good. If work fails to provide social cohesion for the workers themselves, the social sustainability for the workforce can be seriously threatened.

Discourse about employment, work and sustainability has a tendency of focusing on those who suffer from injustice or vulnerability. However, the tensions between how TSOs carry out their mission and realise their values may knowingly or unknowingly go against the very foundation of their existence, to ensure every member of the society enjoys social justice.

When such ideological workforce takes care of others through creating social change, if these people face internal dissonance from their own organisations, lack of care for the workforce may lead to job insecurity, unfair remuneration and other social injustice manifestations.

Under the bases that TSOs are set out to provide the common good for everyone, directly or indirectly, in the society and the TSO workforce fundamentally deserves and has the right to life, employment and other basic civil rights as any one individual, it is important to discover the paradox between the external and internal organisational values that are respectively being placed on the organisational missions and its workforce. For instance, an organisation endorsing one value but realising another will eventually lead to the issue of trust for the society, jeopardising the stability of the third sector sphere that glues the society together.

In this thesis, I aim to discuss what constitutes a TSO's value and what the relationship is between a TSO and its own employees. This can lead to the question of social sustainability existed within and delivered for the outside world. Therefore, my main research question is:

“What is the social sustainability paradox between the social values delivered by the third sector but unrealised internally for its workforce?”

To understand the main question in detail, five sub-questions are devised as follows:

1. What is the interrelationship between the third sector and its workforce?
2. How are the third sector organisation's values created?
3. How are the values delivered and affected?

4. What are the connections drawing the proposed paradox between the third sector and its workforce to the concerns of social sustainability?
5. How can the challenges of social sustainability between the third sector and its workforce be understood through theories explored?

To find the answers to these questions, the thesis will focus on studying the sub-questions respectively in:

- Chapter 2: discovers answers to sub-questions 1 and 2.
- Chapter 3: discovers answers to sub-question 3.
- Chapter 4: discovers answers to sub-questions 4 and 5.

Ultimately, the research seeks to make contributions to the existing gaps in literature on the topic of the third sector workforce sustainability and help readers understand through theoretical analysis of workforce sustainability in the third sector.

1.2 Methodology

From Quantitative to Qualitative Research

As the research was initially set out, three types of survey were devised for data collection and analysis. Were the data collection successful, this research would have adopted an ethnographic content analysis to construct the meaning of the data collected in this research (Bryman, 2004, p. 183) and apply it to verify theoretical findings. The surveys were aimed at three groups of TSO workers, including (1) Trustees and Senior Management Team (SMT), (2) Non-SMT staff and (3) Volunteers and interns (unpaid staff). The surveys were disseminated daily through Emails and Twitter for two weeks. Via Twitter, a major volunteering platform in the UK (Do-it Trust) helped disseminate the surveys to their followers: 10,400 (@ivoUK) and 14,800 (@doituk) followers. Unfortunately, the surveys yielded only three returns.

Despite the insufficient data collection, the process of devising the surveys has provided groundwork to frame the research questions, initiate literature research and draw mind maps (see Appendix for an example: linking causes, missions with three aspects of the third sector) for this study.

Qualitative Research

The research design follows the exploratory sequential mixed methods (Creswell, 2014, p. 16) where the first batch of theories collected and reviewed was led to the following series of literature review

and analysis. As the research progresses, the data were interpreted to form themes and patterns (Creswell, 2014, p. 17) that enable the ground for further exploration and connections among theories and numerical evidence.

Through the exploratory sequential mixed methods, this study undergoes 'contextual understanding' that "seeks an understanding of behaviour, values, beliefs and so on" (Bryman, 2004, p. 287) in terms of how TSOs form, deliver and update their values and what specific culture or management theories can be applied to identify and explain the paradox this study aims to discover.

Ontologically (Creswell, 2007, p. 17), the third sector is faced with a competitive job market, where the highest ratio of university degree graduates among other sectors, prevalent with short-term public service contracts and fixed number of major institutional donors (Clark, Kane, Wilding, & Wilton, 2010). This raises an epistemological assumption (ibid) that tensions exist among the complexity of donor culture, organisational culture and human resources practice to the workforce's sustainability.

Through an axiological exploration (Creswell, 2007, p. 17), this study attempts to unfold the paradox of values where altruistic individuals, becoming groups and organisations to realise the public good, suffer from the rigidity of the job market, thus rendering social injustice and unsustainable human relations amongst the TSOs.

As a result of the exploratory literature review and interplay of theories, sets of theories were merged and concepts emerged through the view of social sustainability proposed by scholars and experts from third sector organisational theories, social theories and sustainability science, e.g. Littig & Griessler (2005).

The emerging concepts (Bryman, 2004, p. 283) thus shed light to demonstrate the missing link of social sustainability between governance management theories, leadership theories and game theory.

1.3 Limitation

The limitations to this research include the shortfalls of the research design and knowledge limits. This thesis reflects the weakness of a qualitative research that is "invariably unstructured" (Bryman, 2004, p. 287), especially under the exploratory sequential mixed methods. Among the vast availability of the existing literature, presented with findings on organisational theories, socioeconomic theories and sustainability science, this thesis is able to explore within the scope of its

literature discovery and the subsequent ones but not beyond. Therefore, limited emerged concepts and theories could likely to be proven otherwise, if presented with another unfound theory herein. In addition, factors, such as the possible influence of labour unions, were unaccounted in this thesis due to the incapacity to carry out more comprehensive studies.

Finally, despite the research being a qualitative one, the practices of generalisation and simplification are applied under hypotheses. To keep the research questions focussed, the precision of definitions, available but unfound data, unobserved theoretical links and implications are not priority tasks. For instance, to enter into the argument of the workforce sustainability in the third sector, the emphasis is placed on the interrelationship between the third sector and the workforce, instead of the precise definition of the complexity of scopes of the third sector. Also, social enterprises, and the growth of them set up by young people due to employment competitions, are thus not considered.

2 The UK Third Sector Topology

2.1 Scope of the Third Sector

2.1.1 Defining the Third Sector

Amongst the historical and progressive development of the third sector, there are numerous debates and attempts to define and distinguish the third sector (Alcock, 2010), civil society sector (Centre for Civil Society, 2005), voluntary sector (Wolfenden, Joseph Rowntree Memorial Trust, & Carnegie United Kingdom Trust, 1978) and non-profit or not-for-profit sector (Alcock, 2010).

Within this area, the discussions also extend to what a voluntary organisation (Beveridge, 1948), non-governmental organisation (NGO), non-profit organisation, not-for-profit organisation or charity means and the relevance to those sectors' definitions. These may involve the exogenous approach to define what to exclude from the third/non-profit/voluntary/civil society sector, endogenous approach to define what to include and even a discursive approach to determine the third/non-profit/voluntary/civil society sector from recognising organisations that provide social and non-profit functions through the emergence of the socio-political presences of the day (Hilton et al., 2012, p. 8). Each approach requires drawing a fine line somewhere, whether being done exogenously, endogenously or discursively.

Despite these approaches to include or exclude an organisation as part of the third/non-profit/voluntary/civil society sector, these above mentioned terminologies, indicating where these organisations are grouped, do share the commonalities of the following:

- Aiming to be independent from the state;
- Aiming to be independent from the economic market or commercial systems;
- Having charitable purposes;
- Working for the public benefit;
- Attracting talents for gainful and meaningful employment, rather than employment of the capitalistic accumulation.

However, along the change of the ruling political parties, the terminology can vary as well. In particular, during the governing power of the Labour Party in 2006, the Office of the Third Sector was established in the Cabinet, including the Active Community Unit, Civil Renewal Unit and Social Enterprise Unit (Hilton et al., 2012, p. 7). The Office of the Third Sector was then renamed as the Office for the Civil Society after the 2010 general election, governed by the Minister for Civil Society.

The cabinet and name changes provide a practice that the terminology is more a branding tool in the political power play, less a substantial matter for the differences in essence. Such efficient power branding demonstrated what Desse (2012) described that state are more efficient in providing goods and services that are of homogeneity, rather than heterogeneity, due to economies of scale (Desse, 2012; Johnson & Prakash, 2007).

Civil society organisations are thus created to bridge the gaps of public goods and services, which states and markets are unable to fulfil. Therefore, despite the differences among various terminologies in an effort to label and define the sector outside, or intercepted with, the spheres of private and public sectors, namely markets and states, in this research, the third sector is referred as a collective term, to include the voluntary, civil society, non-profit, non-governmental, not-for-profit organisations, charities, community and social enterprises.

Due to “the varying terminology and the different definitions [are] sometimes apparently for the same thing” (Bridge, Murtagh, & O’Neill, 2009, p. 44) and the main concern in this study is not to place emphasis on the nuances of the terminology definitions but the sustainability dilemma the sector creates, these organisations are treated interchangeably as the TSOs, so as “the label ‘voluntary sector’ [being] applied to the whole of the third sector” (Bridge et al., 2009, p. 54).

Evers & Laville (2004) adopted Pestoff’s (1998) view to define the third sector as having a triangular relationship amongst the state, market and private household community (Evers & Laville (Eds), 2004; Pestoff, 1998). Compared to Paton (2009), the third corner in a triangle was replaced with ‘civil society’ (Paton, 2009), rather than private households. As such, the triangular relationship echoes tripod spheres for the society (Persell et al., 2001), which I employ hereunder.

2.1.2 Background of the Third Sector Workforce

After industrialisation, people’s lives have been dramatically changed, especially the immediate effect on Europeans. The transformation included “the organisation of work which we now consider typical [...] did not happen through the guidance of the market place, but required the active involvement and organisation of people in the workplace, in the political arena, and in the development of citizenship generally” (Cassells, 1998, p. 115).

Per Cassells (1998), after the world wars, people initially focused on rebuilding their lives. Along the rebuilding and development of industries and careers, one might find oneself more economically fortunate than others. So, people gradually shifted their focus to those that are less fortunate. For example, “[a] significant cause of unemployment has been the failure of organisations and

businesses in Europe to identify the new trends in values and lifestyles and create services and products to meet them. Also, many aspects of government, industrial relations and social policy lag far behind these changes in people’s values, attitudes and perceived needs” (Cassells, 1998, pp. 115–116). For instance, groups coming from altruistic positions form organisations to help resolve unemployment issues and the issues therefrom. Up to 2008, there has 1,671 organisations working to provide “employment and training” related services (Clark et al., 2010, p. 30). The entire sector amounted to 900,000 TSOs by 2010 in the UK, with 5.6% of paid staff among the entire UK workforce (ibid, pp. 5 & 9).

According to National Council for Voluntary Organisations’ (NCVO) Almanac 2010 (Clark et al., 2010, p. 78), the UK voluntary sector relies mostly on its volunteers, including the unpaid trustees (Table 1). However, in reality, the TSOs are driven and managed by only 3.08% of the entire labour, due to their long-term and paid commitment serving as the interest of their professions. The 3% paid staff manage the 94% of volunteers, who devoted their time and energy in the form of free labour, whilst the 3% is bound by the legal duty to oversee the 97% of workforce.

Table 1 Percentages among trustees, volunteers and paid staff in the voluntary sector (Clark et al., 2010) (% calculated by Author) (Note: Author refers to the contribution by this thesis author.)

	Number	Percentage (%)
Trustees	650,000	3%
Volunteers	20,400,000	94%
Paid Staff	668,000	3%

In the UK, the society has shifted away from a paradigm between 1970s and 1990s, where service workers were initially regarded as ‘unproductive labourers’, to service employment being drawn into the workforce, including married women and young people working across sectors (Jordan, 2010, p. 175). By 1977, after the release of the Wolfenden Report, the social services provided by the voluntary organisations started to be seen as a ‘sector’ (Hedley, 1995, p. 97). The Wolfenden Report was carried out to understand how grants were spent and how voluntary organisations have performed under the state’s direction 30 years after the ‘Welfare State’ emerged in 1940s (Wolfenden et al., 1978, p. 9). The report drew relationships between the statutory services and voluntary services in a complementary perspective and examined them in the local and national contexts. At this point, the third sector is seen as a helping hand to improve the ‘quality of government provision’ of their services (ibid).

Due to the growing dependence of the state requiring voluntary action to enhance its services, the dimension and consistency of the labour market changed as well. “The growth of service employment in the affluent economies, and particularly in the Anglo-Saxon countries, has been part of higher overall rates of labour market participation, especially by women” (Jordan, 2010, p. 178). The ‘professional commodity’ followed the ‘anti-market’ principles to see work as a calling where work is valued beyond capitalist accumulation, ‘protection of the social fabric’ and an ideological status in a commerce averse sense of nobility (Larson, 1977, p. 220).

However, the downside to the development of service employment is that it is often subject to lower pays and managerial surveillance, which lead to economic and hierarchical stresses for the workforce (Jordan, 2010, p. 178). So, what are the reasons driving people to desire employment in the third sector in providing public services that the state and market are unable to provide?

Jordan (2010) pointed out that the skilled and empathetic ones in the community, who are actively involved in collective affairs to improve others’ quality of life, can contribute most to subjective wellbeing in the community (Jordan, 2010). In turn, the third sector workers are also subject themselves to the quality of life they work so hard to improve, as members of the community. This is simply because these activists (TSO workers) themselves are subject to two identities, the recipients and contributors of the social services. So, working by virtue of the common good, paid or unpaid, promotes the idea that one serves altruistically through work to directly provide the social good to others. Meanwhile, their work feeds back to improve their own subject wellbeing as well.

Furthermore, the shift of workforce from the traditional economy to knowledge economy transformed people from being a cost, like land and capital, to a key resource (Cassells, 1998, p. 117). This means people have gained more self-values in what they do, how they work and for whom they work. The gainful employment is especially the case for the TSO workers.

2.1.3 The TSO Workforce Structure

The social actions and values, for which these TSOs work, are centred in different aspects of sustainability. As Clark et al. (2010) expressed, civil society provides a public sphere as the good society, “aiming for social, economic and political progress” (Clark et al., 2010, p. 4). The TSO work structure provides power relations on how the sector works.

In terms of the workforce structure, Handy (1990) elaborated a shamrock model (Figure 1). The model categorised the workforce into a three-petal perspective – the ‘professional core’, ‘contractual fringe’ and ‘flexible labour force’ (See Figure 1) (Handy, 1990, pp. 117–120). The 3% of paid staff in

the third sector would fall under both the professional core and contractual fringe. 3% of unpaid trustees would fall solely under the professional core due to their strong legal commitment. Although the main population in the third sector is comprised of 94% of volunteers, this flexible labour force commits merely on the part-time and/or ad-hoc bases. Unlike the professional core, despite its relatively minuscule proportion in the workforce, there is a long-term commitment to drive the third sector forward with undisrupted momentum. However, the structure was published in 1990 before the Charities Act 2006 (United Kingdom) came into force. Slight changes, of red letter and line crossings, are made in the shamrock to reflect the current condition. The unpaid trustees are included as the professional core, whereas interns and volunteer the flexible labour force.

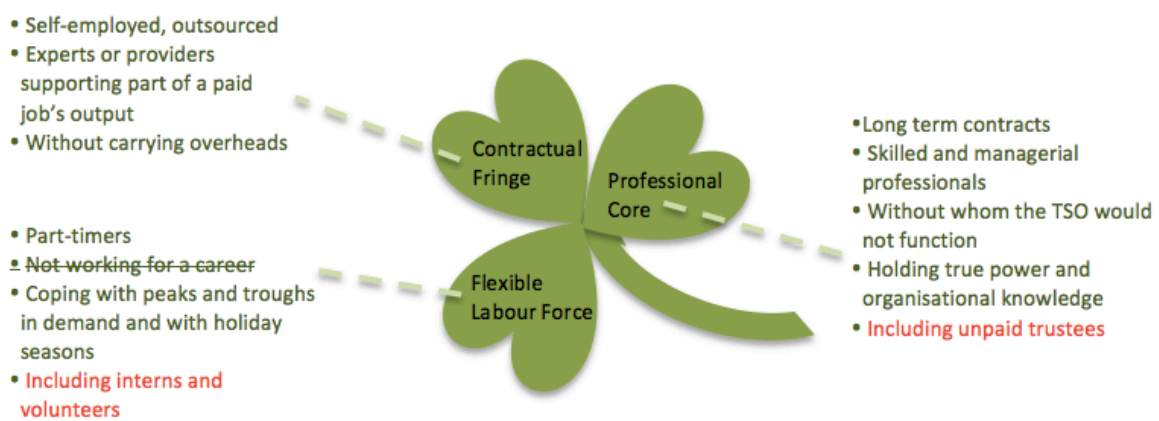


Figure 1 Shamrock Organisation Model (Handy, 1990) (Modified by Author)

Apart from the constituency of the workforce, Handy (1990) also pointed out that the idea of organisation means there are sets of roles or jobs constructed in a hierarchal manner (Handy, 1990, p. 89). Within this hierarchy, tasks and workflow can be achieved to deliver the values TSOs are set out to do.

Figure 2 shows how decision-making relationship being subjected to a hierarchy where the human resources are typically managed by both the trustees and Senior Management Team (SMT). The Chief Executive Officer is included in the latter. The introduction of subcommittee provides participatory relations across the board of trustees, SMT and the non-SMT staff. The concept and practice coincides with the servant leadership theory, devised by Robert K. Greenleaf (1970), that has been welcomed in the third sector. "The servant leader serves the people he or she leads, which implies that employees are a valued end in themselves, rather than a means to an organizational purpose or bottom line" (Courtney, 2013, p. 292). The details about management and leadership will be introduced in Chapter 3.

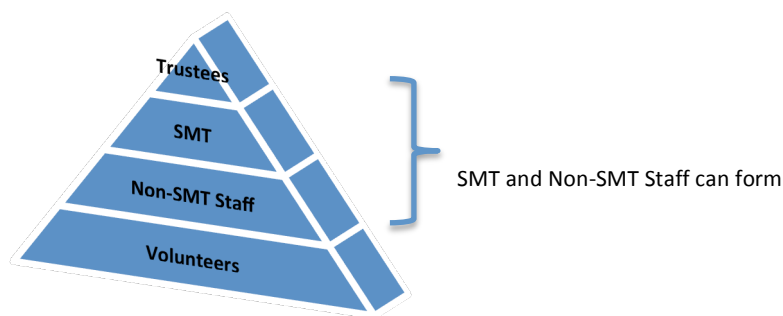


Figure 2 Pyramid Organisational Structure of a Third Sector Organisation (Created by Author)

Even though TSO employees can be valued, they are inevitably replaceable. The replaceability of TSO employees adds to the volatility of employment as Bridge et al. (2009) identified. TSOs and its workers suffer typically from temporary employment due to funding source unpredictability, vague distinction of roles between volunteers and professional staff and lack of a strong business relationship among trustees and SMT (Bridge et al., 2009, p. 131).

Not only is the short term employment observed easily in the third sector as a moral issue that questions the social sustainability aspect of the workforce, a growing culture of employing unpaid and highly skilled interns and volunteers to fulfil what the professional core would deliver as paid staff is surfaced for the sustainability debate.

Before embarking on the issues of sustainability in the third sector workforce, it is important to understand how the third sector creates and delivers the services, especially how the altruistic culture and professionalism have led to the inconsistency ideology of the sector from pursuing social justice for others while neglecting to diminish social injustice for the TSO workers themselves.

2.2 Actions and Values in the Third Sector

2.2.1 Self-help and Philanthropic Voluntary Action

Beveridge's (1948) Voluntary Action report provided the landmark role in drawing a picture on how voluntary action develops prior and after WWII, during the post-war welfare state settlement (Penn, 2011, p. 17). He emphasised that the characteristics of voluntary organisations is defined by the product, which is of its mode of birth, rather than the kind of workers employed by them; and "an organisation which, whether its workers are paid or unpaid, is initiated and governed by its own members without external control" (Bourdillon (ed.), 1945, p. 3). So, at first, the products, promoting the social and common good, were created and developed by the third sector workforce itself,

without the interference of the state or market. Such value coined with one of the key identities a third sector organisation holds – being independent (autonomous) from the state.

Taking tackling poverty as an example, Beveridge identified two motives for which people take voluntary action: (1) one helps others help himself/herself and (2) social conscience, to help the materially uncomfortable neighbours when one is in a materially comfortable but mentally uncomfortable state due to the social situation (Beveridge, 1948, p. 9). One shows a mutual aid value through collective self-help actions and the other conveys an altruistic and philanthropic value of helping others (Penn, 2011, p. 19). Between the mutual aid and philanthropic motives, the former is associated with the working class whilst the latter bourgeois class (Kendall & Knapp, 1995, p. 72).

Voluntary action in a society conveys a literal meaning that people, by virtue of self-help or philanthropic purposes, act voluntarily for the public benefit. As Alcock (2010) pointed out, the third sector “is often associated with social action and social values, rather than particular organisational forms – as the sum of social relations that make up the good society rather than any particular organisational expression of these” (Alcock, 2010).

Whether the third sector organisations are pushing forward self-help or philanthropic voluntary action, it is an intrinsic and recognisable norm that the third sector is distinctive on its ‘value-expressive’ or ‘value oriented’ function, which entails (1) beneficence to those in need, (2) reciprocity to provide mutual support of resources and (3) institutionalisation to allow and sustain social change (Kendall & Knapp, 1995, p. 72). Institutionalisation denotes the processes of groups becoming TSOs and TSOs coming together in solidarity to provide joint efforts and form the sector, that is, on its own right, independent from the state and market.

These value-driven functions are provided through the vehicles of three types of TSOs: ‘service delivery’, ‘mutual support and network’, ‘campaign and advocacy’ (Handy, 1990, p. 12; Kendall & Knapp, 1995, pp. 67–68). In this thesis, the work these organisations produce for the public benefits will be considered as ‘services’.

2.2.2 Mission and Values

As the third sector is institutionalised as a social system, among the state and market systems, it is comprised of three major components – roles, norms and values. Roles determine specific forms of behaviour based on the given positions, as required by tasks developed. Norms prescribe and sanction the behaviours arising from roles as general expectations. Values embed the mix of roles and norms for generalised ideological expectations (Katz & Kahn, 1978, p. 43). In this context, the

values of an organisation can also be seen as ‘cultures’. The cultures are often viewed in two forms. A high-profile culture is “the formal statements of the values that the organisation says it considers to be important” (Courtney, 1996, p. 32). Courtney (1996) also added that a low-level culture is how outsiders may perceive the organisation, looking inward. However, in an open system, where an organisation’s openness to receive inputs is crucial to its existence, the most important maintenance source to the system is human effort and motivation (Katz & Kahn, 1978, pp. 2–3).

In setting, achieving and updating a TSO’s core mission and values, Courtney (1996) draws the connection that “[t]he task of reviewing and clarifying the core values/principles can also in turn create a change to the mission statement” (Courtney, 1996, p. 33). This statement infers that an organisation’s mission is often shaped by how its workers create and modifies their values in achieving what they set out to achieve. “The expressive character of nonprofit activity — the way nonprofits allow people to demonstrate commitment to social ends and values — is what significantly differentiates one nonprofit from another and what separates the nonprofit sector from other social sectors” (Frumkin & Andre-Clark, 2000, p. 142). Typical values, which value-led TSOs share, reflecting what they do and how they fulfil them are summarised by Courtney (2013) below (Figure 3).

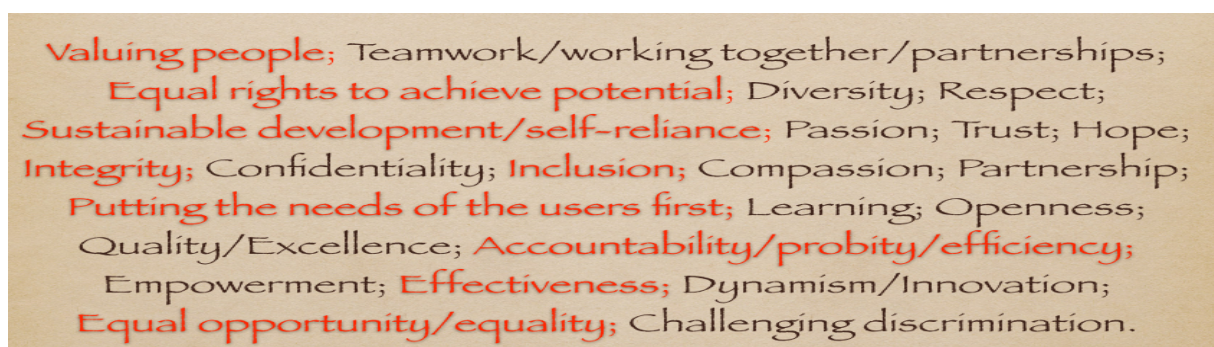


Figure 3 Word cluster on typical statements of values (Courtney, 2013, p. 177) (Created by Author)

The descriptions of values serve as the means to organisation’s ends, which is about the organisation’s ultimate mission (Courtney, 1996, p. 32). The values form pathway to achieving an organisation’s ultimate mission and these values can only exist and be delivered under the engine of people driving the organisation forward.

To deliver meaningfully a TSO’s values, a mission statement comprising of the above buzzwords, presenting a high-profile culture, must meet how the general public sees extrinsically these values. The consistency of the high-profile culture and low-level culture presents the connection between how a TSO endeavours to achieve its mission externally and gains internal and public recognition that

such standard of achievement is maintained within the organisation as well. Taking “Value people” from the word cloud (Figure 3) for example, a TSO should not only value people who are its beneficiaries but also its employees in its strategy, updating the context of strategy both in austerity and prosperity during the running of the organisation.

2.3 Chapter Summary

This chapter aims to answer two sub-questions in this study – “What is the interrelationship between the third sector and its workforce?” and “How are the third sector organisation’s values created?”. In so doing, this chapter examines two parts of the third sector topology. The first part is to identify the scope of the third sector and the second is the actions and values it entails.

To understand the scope, the first step is to understand the definition of the third sector. Due to the complexity of various terminologies conveying similar concepts, the third sector is defined through its unique position, namely being independent from the state and market, having charitable purposes, working for the public benefits and being driven by a gainful workforce. Following the definition, the workforce is introduced to demonstrate how the workforce engines the third sector, how it is organised in structure and the issue it brings to the conflicts of the third sector’s values.

Subsequently, the second part discusses the collective voluntary action, sprung from the sector to become the social fabric that provides solutions to unreachable social injustice the state and market fail to respond. The solutions are fuelled by TSOs’ actions and values. Through the discussion of values, it is concluded that the workforce can only be sustained to drive the third sector forward if the high-profile culture and low-level culture in the social system are maintained with consistency.

Since the third sector’s values is driven by the workforce and how it works, the focus for the next chapter will be placed on the ins and outs of the TSO management and professionalism.

3 Third Sector Organisational Management and Professionalism

3.1 Third Sector Organisational Management

3.1.1 Public Benefit Test and Legal Responsibilities of the Board

The execution of the TSO value creation and delivery is dependent on how a TSO is structured and governed to efficiently and effectively carry out its purposes. In the Charities Act 2006, it is emphasised that a charity (TSO) must pass the public benefit test to be qualified as a legal charitable entity. Without a legal entity, there will not be organised voluntary action to provide service delivery, mutual support of resources and campaigns and advocacies for the common good.

As the competent authority for TSOs in the UK, the Charity Commission provided a guide to explain how the public benefit test works. In short, the TSO must have a beneficial purpose for the public without causing detriment or harm to the public and giving rise to incidental person benefit when fulfilling such purpose (The Charity Commission, 2013). More importantly, it rests the legal responsibility onto the trustees of a charity to ensure that the charity carries out its purpose for the public benefit.

The Board of Trustees oversees the work of others, including the SMT and other staff members in a charity. The Board of Trustees can also be referred as the Board or trustees. The key responsibility of trustees of a charity is to be in charge of the administration, accept overall legal responsibility, have duties of care, safeguard and protect assets, act in the best interests and avoid conflicts of interests (ICAEW & Bates Wells & Braithwaite, 2012). The trustees are unpaid non-executive roles, from all walks of life (The Charity Commission, 2012).

Their strong legal responsibilities have led to the dilemma of charities struggling to recruit trustees. It is reported that “one in ten voluntary organisations (11%) identified that they always had difficulties in filling vacancies in their trustee body with four in ten organisations (39%) identifying that they had difficulty sometimes. The situation appeared worse for the larger organisations. The main reasons identified for trustee recruitment issues were difficulties finding people willing to make the time commitment (82%) and difficulty finding people who want the responsibility or are willing to take on the legal obligations (53%)” (Clark et al., 2010, p. 78).

In a larger or more participatory organisation, sub-committee(s) to the board meetings can be formed (McCormack, 2004, p. 176). It is thus operated in less formality while allowing detailed board work to be conducted by staff members who otherwise cannot attend the boarding meetings for the

decision making process (ibid). In effect, the legal risk for the trustees is diffused by the staff participation to reflect the pressing concerns.

3.1.2 Leadership and Managerialism of the Board

Due to the TSO Board diversity, from all walks of life, two governance theories are reflected in practice. In the stewardship theory, being based on a human relations viewpoint, a TSO governance board functions to ensure the performance of the organisation, rather than managerial compliance or conformance, under the assumption that managers work in partnership to serve as stewards to effectively oversee the organisation's resources (Cornforth, 2005, pp. 6 & 8). Contrary to experts serving as stewards, the democratic theory endorses lay representatives as the board members and introduces broader participations from laymen (ibid, p. 12). Having both experts and laymen on the board will allow the governance to benefit from the experts and laymen's voices to avoid the exclusivity of professionalism that protects only the knowledge of expertise, rather than focusing on more rounded perspectives from all sources, when making decisions that will impact the beneficiaries.

Varied from the command and control management, the common traits of leadership are as follows (Courtney, 2013; Soane, 2014):

- Leadership is a process of employee engagement within an organisation.
- Leadership involves influencing, guiding and allowing individuals or groups in an organisation to be effective in achieving the organisational goals.
- Leadership is a positive and non-coercive form of influence.
- Leadership inspires and motivates employment engagement.
- Leadership promotes ongoing behaviour and commitment.

Meanwhile, management can complement leadership in the way that it promote shorter term stability by setting and achieving immediate goals, reducing risk, solving immediate problems, keeps external stakeholders informed, ensuring compliance and promoting the organisation; as opposed to the long term approach of leadership to motivate staff and external stakeholders, enhance internal and external trust, explore new opportunities, seek improvement of services, taking calculated risks, inspire others to champion the good causes and promote great passion and commitment (Courtney, 2013, p. 286). In short, leadership helps an organisation to perform well under a changeable and risk-bound environment whilst management helps an organisation to improve under a risk-averse environment. With the best features of the two combined, managerial leadership will serve, guide and manage both the stable and change environment at the same time.

Managerial leadership promotes horizontal power relations within TSOs, rather than the hierarchical ones. The concept reflect a study of ethnomethodology where an organisation “show[s] how a professional practice is embedded in quite ordinary competences, and also elaborate how it is special, in the sense of being part of a particular local version of a more generalized professional culture” (Have, 2004, p. 17). Throughout a management structure, leadership permeates throughout the organisation where employee engagement can build a levelled ground among trustees, SMT, non-SMT staff and volunteers/interns.

In sum, charity trustees are there not only to ensure compliance and reduce risk to oversee the delivery of their charities’ values but, ideally, also to motivate, inspire and engage with the employees in their charities to promote on-going professionalism and commitment that enable the charities to carry out their missions in the long run.

3.2 Third Sector Professionalism

3.2.1 The Transition of Professionalism

The development of the third sector is becoming more “professionalised” and forms a highly skilled workforce that engages in a variety of activities. In 2008, figures showed that the third sector, among the three sectors, employed the highest proportion of people with a university degree and above, scoring 38% that outshined 37% for the public sector and 19 % for the private sector (Clark et al., 2010, p. 72).

The third sector workforce was regarded as having been shifted from the “amateur and voluntarist roots to becoming highly professionalised and even business-oriented” (Hilton et al., 2012, p. 347), The business-oriented professionalisation entails the divisions of labour to satisfy the multiple functions required to run a successful organisation. Subsequently, these branches of labour develop their professionalism culture along their zeitgeisty idealism, passion to create social change and business-like orientation to maximise impact, efficiency and effectiveness.

However, the transition for the third sector ‘profession’ to be professionalised and business-like was not without lessons. Hilton et al. (2012) elaborated that, between when a glorious legacy of an organisation is created and its later functioning maturity, a professionalised organisation has to be nurtured over time. A particular example given therein was the management oversight of Peter Benenson, who founded Amnesty International and created the letter-writing legacy to advocate for prisoners’ rights. Benenson’s inadequate financial and bureaucratic management led to a scandal that forced him to resign after 7 years of running the now prominent organisation since 1961 (Hilton

et al., 2012, p. 348). This example portrayed not only the lack of wide range of expertise (divisions of labour) required to sustain and develop his campaign but also a governance failure.

Besides developing a full range of functions to run TSOs, the changing policies after the creation of Beveridge's welfare state, in 1948, also affected the development of the third sector's professionalism. Various children related legislations created a knock-on effect. For example, professional training activities emerged; state funding was increased; governance structures were changed (e.g. patrons became trustees); and the causes of public benefit were widened, with beneficiaries turning their roles to stakeholders to represent themselves, particularly in the disability issues (Hilton et al., 2012, pp. 349–350).

In addition to the market influence of professionalism and change of state policies, the dichotomous roles between professionals and beneficiaries in the third sector were challenged. It became important to cross the boundary between one side having the know-how on a commanding height (the TSO professionals) and the other (the beneficiaries) participating via effective communications to reflect their needs or otherwise. As Banks (2012) put it, for the social work in Britain from 1980s, the service users (beneficiaries) became viewed as experts. Her so-called democratic professionalism reasserts the importance of trustworthiness and selfless commitment for the public benefit (Banks, 2012, p. 106). 'Democratic professionalism' refers to the transition of professionals, from imparting influences by possessing the elitist and exclusive knowledge and skills to holding a less threatening position that focuses on the needs of service users; so, the service users are repositioned as participative 'partners' or 'co-producers' with a more balanced power in the relationship by taking part in the decision-making process with the professionals (ibid, p. 147-148). In so doing, the spirit of the third sector can be realised as "a means of binding the classes together, and the beneficiaries of voluntary action are not just the recipients but the providers of services" (Whelan, 1999, p. 10).

As early as the 1980s, Chambers (1986) noted that there is a shift of 'normal professionalism' to the 'new professionalism'. Because the 'normal development professionals' created paradoxical behaviours where they were allegedly concerned with the poor and improving the poor's life but actually were more inclined to attach themselves with the powerful, high status, educated and light-skinned male adults (Chambers, 1986, pp. 16–17). This initiated a learning based way of working, rather than authority. It aims to learn and adapt flexibly with and from the poor (ibid, p. 1).

When the workforce moved from the paradigm of normal professionalism to the new, it encouraged the workforce to form a horizontal relationship with its customers/service users/beneficiaries. Although this improved the effectiveness of the low-level culture, enabling the outsiders of the

organisations (customers/service users/beneficiaries) to have a closer understanding of the TSO values, whether the staff members observed a consistency with the internal high-profile culture remained unclear.

Nonetheless, the third sector continues to face the control of professional language barriers that discourage multicultural participations between professionals and beneficiaries. Wallace et al. (2007) warned that “[l]ogical frameworks, indicators and reporting guidelines are found everywhere and often referred to in English because the terms are untranslatable locally. This seriously risks [undermine] the variety and diversity critical to building strong civil society” (Mawdsley, Townsend, Porter, & Oakley, 2002; Wallace, Bornstein, & Chapman, 2007, p. 41).

Reflecting on how Hugman (1991) approached professionalism from the control of the language that conveys a tone of conviction (Hugman, 1991, p. 6), by encapsulating its traits, professionalism is seen “as a peculiar type of occupational control whereby a community of practitioners defines the relationship between professional and service user” (Banks, 2012, p. 105). So, the top-down transformation from being a teacher/expert to learner/consultant has been limited to the effective change of roles but the tone of conviction remained a barrier nowadays.

3.2.2 Cross-sector Professionalism and Managerialism

In the 1980s, the Thatcher government started bringing the ethos of business into the third sector. By the 1990s, the private sector language and contract culture emerged into the sector. These waves of change in professionalism introduced and ‘infected’ the third sector with a new managerialism and corporate culture. Between 1997 and 2008, there appeared to be approximately 4.5 times growth in the third sector workforce. Within this growth, there were small community based TSOs not willing, initially, to adopt the new culture but later they felt the need to develop their brands to cope with the changed environment. (Hilton et al., 2012, p. 350)

The new managerialism promotes managerial leadership to improve the efficiency and effectiveness of the third sector services. A particular study showed that managerial leaders from both for-profit and not-for-profit groups were able to demonstrate the behaviours of ‘inspiration’, ‘information dissemination’, ‘team building’ and being ‘credible’ to their staff members in both stable and crisis situations; whilst both were not able to demonstrate behaviours of consideration and praise-recognition to their staff under crisis (Peterson & Fleet, 2008).

Both State-TSO and Market-TSO funding relationships extend to the exchange of human capitals. Experts with ample TSO experience moved to working for the government, and vice versa for the

public servants becoming TSO experts (Hilston, McKay, Crowson, & Mouhot, 2013, pp. 202–203). Such exchange between professions can result in the shifts and integration of professional cultures. The evolving professionalism to mix the third sector, which relies significantly on its altruistic and philanthropic values, with the state or corporate culture often create resistance for small TSOs.

Whilst the new managerialism and corporate culture presents a professionalism that is geared towards the current economic system, nonetheless, as heeded by the Deakin Report in 1996, the third sector must learn to adapt itself to manage professionally but avoid letting the professionalism get in the way of shifting its original values and agendas (Commission on the Future of the Voluntary Sector & Deakin, 1996).

However, it is also important to note that the 3% paid workers mobilising the main engine of volunteers (94%) should be sustained with a liveable economic return, retained and replenished where necessary, e.g. retirement or personnel change. The other 3% of the workforce, i.e. trustees, should understand the vitality of managerial leadership to build horizontal power relations of decision making with the paid staff, at the least. It is especially significant to socially, economically and politically sustain the workforce under its incommensurate 5.6% of the entire UK workforce against what gaps of social justice and orders the other 94.4% workforce may create in the public and private sectors. The purposes and values the TSO workforce carry must remain stern without being compromised by the cross-sector professionalism influence under the names of effectiveness and efficiency.

3.2.3 Funding and Philanthrocapitalistic Influence

When it comes to value delivery to achieve the ultimate missions, the third sector relies on the funds streaming, to employ people and other resources, from the state and market, which paradoxically cause the third sector to exist and address the social, environmental and economic concerns. As data shows, almost half of the income sources for the third sector come from the state and market (Table 2). Hence, the symbiotic complexity with the state and market affects how the third sector work and what professionalism and managerialism cultures it develops to achieve public benefit.

The known danger is that these TSOs receiving funding or personnel from the public or private sector can fall into what the resource dependency theory argues – “organisations are not capable of internally generating all the resources and services they require to survive. Consequently they engage in transactions with parties in the external environment to satisfy unfulfilled needs. Dependencies, sometimes problematic, are often created as a result of this process. These

dependencies, in turn, can influence the organisation’s goals, structures and the decision-making of its executives” (Leat, 1995, p. 160). The growing dependence on receiving short-term contracts from statutory funds is cautioned: under these government contracts, “[t]hree-year funding is a key tenet of the voluntary sector’s relationship with government” (Clark et al., 2010, p. 47).

Table 2 Sources of Income for the Voluntary Sector (Clark et al., 2010, p. 42) (% calculated by Author)

Source of Income	Amount (£million)	Percentage (%)
Individuals	£13085.2 million	37%
Statutory Sources	£12808.7 million	36%
National Lottery distributors	£522.7 million	1%
Trusts and foundations	£2962.6 million	8%
Private sector	£2002.5 million	6%
Internal generation	£4116.4 million	12%
Total	£35498.1 million	100%

Apart from the significance of how the third sector is funded, it is argued that the management of the board suffers from inertia under the current economic system because, unlike the public and private sectors, the nature of organisational ownership is weaker and diffused.

Anheier (2010) spelt out the challenge of the board in the third sector, via the unclear and rather diffused ownership angle that drives inertia of progression. In the private sector, the board’s position is to govern the interest of the shareholders/business owners; in the public sector, the government is scrutinised by the representatives elected by the voters and interest groups in the sense that under democracy the voters own and shape the government to work for their best interest; however, in the third sector, rather than having owners or voters that form more powerful collectives to watch over the operations of the public and private sectors, multiple stakeholders are the ones that reflect the performance and accountability of its outcomes of activities (Anheier, 2010, p. 214).

The multiple stakeholders would include the funders from the public and private sectors as well as the beneficiaries, customers, service users and interest groups that are directly affected by the third sector’s performance. Thus, judged by how the accountability can be scrutinised spread across its multiple stakeholders, the third sector’s accountability is less linear and more diffused than the relationships the state and market have, respectively, with their voters and owners (see Figure 4 below).

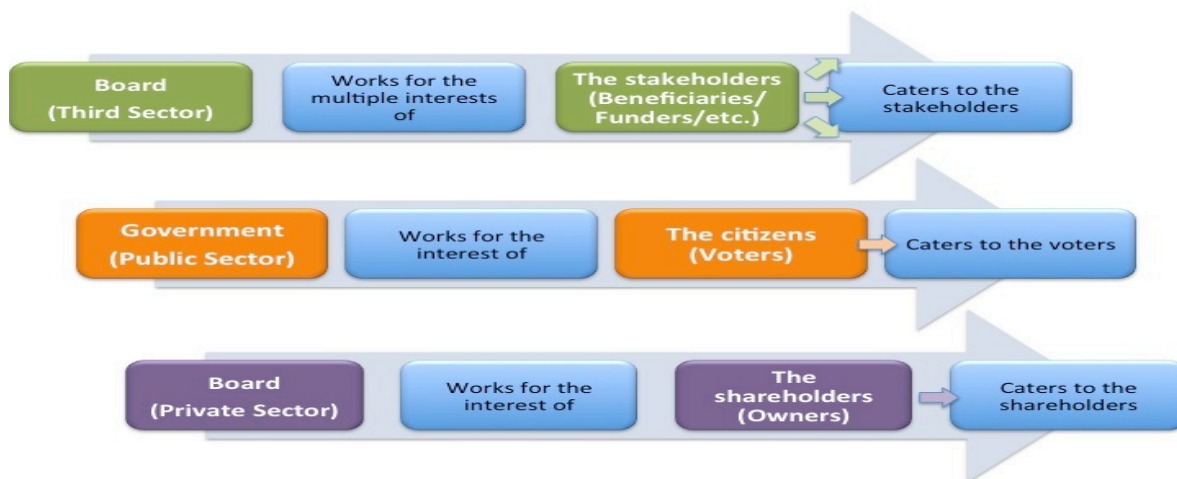


Figure 4 Ownership comparison among the public, private and third sectors (Anheier, 2010, p. 214) (Adopted and created by Author)

One possible route to turn the diffusion weakness into strength is to rely on the diverse structure of TSOs. A TSO can be managed more effectively to deliver its services by distinguishing governance and management in such a way that delegation of decision-making is descended downward to the lowest possible and appropriate level while the information for the final policy decision is gathered and presented upward by managers to trustees (Burnell, 1997, pp. 24–25). In other words, the hierarchy of trustees, SMT, non-SMT and volunteers can be communicated in the most parallel way possible for effective decision making, where all voices and necessary information are heard. Such concept echoes the horizontal power relations through managerial leadership and the mixed models of expert participation and layman democracy.

Nevertheless, with the introduction of philanthrocapitalism, while people of wealth find their way to repurpose business models and culture into solving the world’s problems (Edwards, 2008, p. 12), the caution here is whether the injections of funds, business models and culture to profit can resolve the issues of poverty in the third sector or its contribution to eradicate poverty is disproportionate to the consequences of vested interests and investments that emerge extreme poverty.

By making the third sector more ‘professional’ under the business terms and support of market funds, TSOs would, in turn, diminish its uniqueness to holding the state and businesses accountable to the society (Edwards, 2008, pp. 48–49). As a result, the reliance of corporate funds and professionalism obscures the third sector’s objectivity in choosing between doing what is right for the common cause or what is right for the funders.

Moreover, from a social class point of view, “philanthropy comes to function as a mark of class status that is connected to elite identity. The specifically class-based adaptation of philanthropy, in turn,

influences the types of causes and organizations the elites choose to support, and the type of volunteer work that they undertake” (Ostrower, 1995, p. 25).

Furthermore, under the influence of the government, “[p]ublic money has to be accounted for and patronage brings control. Government departments do not disburse funds out of a vague feeling of goodwill: they want the money to be spent on achieving the government’s objectives” (Whelan, 1999, p. 9). Whelan then pointed out that in the 1980s and 1990s, contracts for specific services replaced grants - these contracts are often competitive to secure and conditioned with short-term renewals (ibid). Hence, the dilemma emerged. Voluntary action is less voluntary by the people but more commanded by the state.

Speaking of voluntary action commanded by the state, the employment and training TSOs received the highest percentages of statutory funds, as high as 71%, as income (Clark et al., 2010, p. 32). Understandably, these organisations are also more likely to be affected by government spending cuts. The beneficiaries of their services will suffer from the immediate impact.

As the resource dependency theory depicts, TSO can be shifted from their independent roles, collectively recognised as the “THIRD” sector, to an ambiguous one. The idealism to become more business efficient should not become the deterrence to societal change and transformation to endanger the fundamental value of the third sector in providing “[a] ‘free space’ within the society for people to freely invent solutions to social problems and to serve the public good” (Clohesy & W.K. Kellogg Foundation, 2003).

In the private sector, organisations and economy can thrive under free market competition. The pressing question is, to what extent, in order to be financially enabled to do good, TSOs have to trade off its community togetherness and collectiveness for the common good for inter-sector competition, competition against resources.

In the big and simplistic picture, the third sector functions to help the government function better and for it to regain trust from the public as well as to help provide a fairer market where inequity constantly arises. By adopting the state culture as well as the corporate culture to influence the third sector, the efforts made by the third sector will eventually be diminished if the influences grow stronger, hence losing its functionality to create the third force for change (Figure 5).

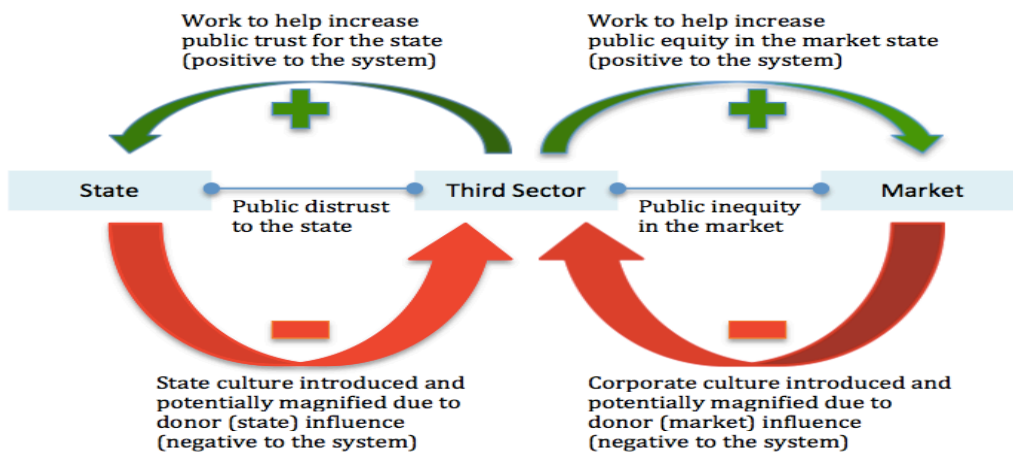


Figure 5 The third sector losing its functionality due to the amplified magnitudes of state and market culture influence (Created by Author)

3.3 Chapter Summary

The purpose of this chapter is to answer the third the sub-questions: "How are the values delivered and affected?". The discussions are placed on the TSO management and professionalism.

For management, alongside the enforcement of the Charities Act 2006, the legal responsibilities of the trustees (governance) have become clearer. Two sets of concepts were introduced to look into what a good governance means in theory and practice. Both sets serve better TSO purposes by agglomerating the stewardship and democracy theories as well as combining the strengths of management and leadership to managerial leadership for horizontal power relations with TSOs. While the managerial leadership also presents a new managerialism to improve the efficiency and effectiveness of the third sector, it is heeded that the cross-sector professionalism and cultural influences may cause the third sector to lose its original footing to oversee and rectify what the state and market fail to do. It is due to the resource dependency on both the state and market to enable value-delivery. In addition, the lack of strong and linear organisational ownership puts the third sector in governance inertia; but the flipside of the coin could be to welcome different voices through the concept of horizontal power relations within and outside the TSOs for better decision making of value creation and delivery.

Thus, the TSOs are affected by how they are governed as well as how the professionalism, driven by the donor cultures from the state and market, influences their value creation and delivery.

The next chapter is aimed to draw connections between the conflicts of internal and external value delivery with social sustainability in the hopes that relevant theories and models can provide a multifaceted view to the proposed paradox of this thesis.

4 Third Sector Employment and Social Sustainability

4.1 The Altruistic Workforce and Employment Hardship

4.1.1 Altruism and Philanthrocaptalistic Obscurity

For the third sector employment, when the fundamental altruism is influenced by the funding-oriented professionalism instilled with the state and market working culture, the passions and ideology originally enshrined in the third sector career can be challenged to “[upset] a simplistic notion that altruism is inherently good and desirable” (de Jong, 2011, p. 22).

De Jong (2011) unpacked the meaning of altruism to cover what authentic altruism (pure) and quasi-altruism (impure) are. Essentially, pure altruism presents a positive, moral and selfless value that is desirable and defies human nature’s intrinsic selfishness even if such altruistic act puts the actor at risk. Whereas, impure altruism presents an ‘enlightened’ motive to make a person act altruistically to achieve self-interest. The former can be interpreted as ‘giving for the public good’, whilst the latter a calculated or trade-off giving for both the public good and self-interest.

In the case of philanthrocapitalism, the altruistic giving as an organisation can be bleared due to the dependence on the state and market funds. The self-interest to sustain the operations of an organisation becomes an enlightened motive, justifiable by the organisation for the course of action to secure funds, thus rendering the impure altruism as a TSO. As a result, the pure altruistic TSO workers, as it were, can suffer from the organisation’s ‘blinkers and filters’ (Handy, 1990, pp. 142–144) where the TSO would prioritise to ensure its financial viability and resort to inaction to the care of its employees. Such prioritisation professionalism, affected by funding, permeates throughout the third sector. Consequently, the objectives to an organisation’s survival in order to provide services become paramount, compared to taking good care of the workers. This dilemma of funds and organisational survival can result in the encouragement of engaging young and unpaid interns to enhance productivity while remaining financially viable.

4.1.2 Altruism, Volunteering and Job Insecurity

Due to the volatile job market in the third sector, affected by the shift from grants culture to contracting culture by the state, altruism being a pertinent cause to volunteering can be challenged. In a particular research on drawing the connections between altruism and volunteers showed that two out of four purposes of volunteering relate to increasing the employment prospects; the other two are social interactions and other self-oriented benefits (Murnighan, Kim, & Metzger, 1993). In

other words, it is the volunteers' enlightened motive of self-interest to devote their time and skills to voluntary organisations so as to pursue a TSO career path. Thus, an unpaid job market is encouraged for people to get into the third sector paid employment.

Furthermore, as experiments show, when volunteering becomes incentivised by monetary returns, the altruistic considerations diminish: students would volunteer to gain personal rewards and executives would volunteer to expect organisational rewards. When personal interest coexists with altruism, it leads to the scenario of 'reciprocal altruism' (Murnighan et al., 1993).

Axelrod (1984) used an example in World War I when two rival troops implemented the 'live-and-let-live' system to reciprocate the avoidance of harm to each other, if one deliberately not to kill the enemy in the trench war (Axelrod, 1984, pp. 60–61). "[R]eciprocal altruism is based on anticipated or actual reciprocity, as in the tit-for-tat strategies in repeated prisoner's dilemma games" (Brittan, 1995, p. 41).

Besides the interfered altruistic motives of volunteers in the third sector, the third sector has a significant proportion of workforce on part-time basis, accounting to 37% and being higher than the 29% of public sector and 23% of the private sector. Due to the prevalent short-term funding situation in the third sector, 67% of temporary workers are on fixed term contracts and this is also higher than 60% in the public sector and 29% in the private sector. The relevant concern is that short-term contractors are more likely to resign before the contract ends due to job insecurity. (Clark et al., 2010, p. 73)

These figures show that the third sector has a volatile employment market than the public and private sectors, despite the higher percentages of employees being better educated than the other two sectors (see Chapter 3.2.1). With higher societal investment to shape these young minds at universities to gain skills and knowledge for future production, it is alarming that such investment leads to less production, in full-time and long term employment, than those of public and private sectors.

Although there is only 5.6% of the UK employees working in the third sector by 2010, the volatile employment environment in the third sector still puts the university graduates who desire to work therein in the hardship of short-term contracts, volunteering and internships. In the NCVO's know-how guide, it emphasised the exponential growth and importance of gaining internship experience as an entry to a professional career; and the internships should be paid (National Council for Voluntary Organisations, 2015, p. 21). The guide also implied that the efforts in this area are yet to be improved.

It was reported that 75% of all-sector employers hire graduate interns and within which 78% were proven to increase their firms' productivity (Chartered Institute of Personnel and Development, 2010). A survey showed that 47% of students and graduates respondents committed to 1-3 months of internship and 23% committed to 3-6 months; among these unpaid interns, 48% worked 5 days a week and 33% worked 3-4; and yet the popularity of undertaking an internship in the third sector reached 52% for the 206 student/graduate subjects; and around 70 of them have undertaken 2-3 internships for gaining employability for jobs (Gerada, Intern Aware, & Unite the Union, 2013, p. 5).

The higher education that prepares people for future work is under the assumption that higher education "graduates are expected to absorb the knowledge and skill of their professions and then go out into the world to practice them, keeping up-to-date as best as they can as they pursue their practical careers" (Freidson, 1986, p. 82). When the internship, volunteer and trainee schemes are in place for graduates to gain industrial experiences in order to secure employment, it raises a question as to whether young people need to go through higher education or whether the dimension of professional pathway is extended from satisfying merely the credential based education to additionally aforesaid schemes.

Gordon (2013) argued that middle class graduates are more likely to succeed in securing professional or managerial jobs right after their university degrees because of their social and cultural capitals, whereas the working class needed the endorsement of an elite university background to increase the employability. In this doctorate thesis, the abstract concluded "middle class graduates are generally more successful in the graduate labour market than their working class peers, even amongst graduates with similar credentials and from the same universities. Middle class graduates are more likely to find graduate-level employment and to be employed in professional or managerial occupations. (Gordon, 2013, p. i)"

Combined with the survey figures and doctorate research, it can be argued that the graduates coming from a middle class background with more support of social and cultural capitals could sustain themselves through internship(s) if they did not get employed right after their degree. However, the working class graduates may face a harsher reality in the employment war in the third sector. This shows a distinctive disparity of values between the third sector advocating outward social values but demonstrating the 'blinkers and filters' syndrome (Handy, 1990, pp. 141-144), ignoring the pressing conflicts of their inward social values that distance itself from the public benefit. Thus, social sustainability for the workforce is threatened, both for the reputation of the third sector in the way it carried out its public benefit promises to sustain its existence as well as the

survival and sound life development for the young people aiming to develop a career in the third sector.

4.2 Diverse Governance, Managerial Leadership and Horizontal Communications

To serve the best interest for an organisation and gain legitimacy and credibility for future decision-making, the board needs a balanced representation from different backgrounds. TSOs, without exception, value “having a board that approaches the organization’s mission and its work with not only sensitivity and creativity, but also unassailable authority” (Robinson, 2001, p. 11). This echoes the agglomeration of stewardship and democracy governance theories.

Robinson then gave an example emphasising the importance of empathy exerted by the board – being able to relate the trustees themselves to immediate experience of dealing with affordable housing challenges. In this instance, it should be straightforward for the board to understand the moral dilemma of employing highly skilled volunteers and interns to do work, equivalent to the performance level of a paid staff since they both share the ‘unpaid’ common ground, motivated with high altruism level to deliver the good cause within an organisation’s mission. However, in reality, the sector is filled with unpaid internship and volunteers who are doing so to gain experience as the enlightened motive for reciprocal altruism to secure paid positions in the sector.

Therefore, the combination of stewardship and democracy governance theories, as mentioned in Chapter 3.1.2, may be less than sufficient to resolve the pressing paradox. It is worth considering integrating also the concept of managerial leadership as a prevalent professionalism, which encourages inspiring and motivating staff in a long-term thinking, to drive for better human resources development.

With the leaders/managers being inspired and motivated to treat everyone equal within a TSO, the trustees and SMT may have to reconsider a fair remuneration for interns who work as much as the paid staff or performs just as much to increase the organisation’s productivity as the paid staff. In turn, the social sustainability streaming through the TSO’s external value delivery and internal realisation will be consistent. It will eliminate the bad practice, having unpaid interns to harness organisational productivity (internal value realisation) whilst setting out to help the unemployed or low-wage workers outside the organisation to gain fair pay (external value delivery). The abovementioned employment issues provide a good example to show the contradiction between how TSOs create values and deliver them. The question is how TSOs manage such contradiction of values.

As evidence showed, there is actually growth in the third sector workforce. Even when there was a steady growth of third sector paid staff members between 1996 and 2007 (Hilton et al., 2012, p. 350), three out of twelve of the higher education management programmes for the third sector in the UK were closed (Palmer & Bogdanova, 2008). The barriers of the third sector management training development are caused by (1) antipathy towards management because good deeds needed not be managed; (2) low priority of human capital development as opposed to the activities fulfilling the purposes of the TSOs; and (3) the inconsistency of training policies and practices between local and national umbrella organisations (ibid). This provides a view that the lack of interest and/or substantial training of managers in the third sector will need to be addressed, especially in how they lead and communicate within their organisations alongside the workforce growth of the sector.

The social sustainability issues of unpaid interns, for example, are structural within the third sector. Therefore, effective communications through governance and leadership tools within each organisation and across the sector will be necessary to shift the change. To create and deliver consistent values, the third sector will have to cooperate internally with its staff and externally with the funders and other stakeholders.

By and large, the endeavour to distinguish itself from the private and public sector is to build up a workforce culture that does not endorse competition, but collaboration, which echoes the idea of 'federalism'. To build such culture and make it work effectively, the emphasis shall be placed on the trustees and SMT, who govern the TSOs (Hind, 1995, p. 329). By the third sector endorsing a federalism cooperation, diverse governance board, and managerial leadership, the sector can be mobilised to negotiate better funds and support for the vast amount of volunteers, of which interns are included as they are also unpaid.

Furthermore, internally, empowering and involving all staff in policy/decision making and practice will averse the organisation from suffering from the 'blinkers and filters' syndrome. That avoids turning a blind eye to the obvious problem, such as neglecting to support staff because of hectic work plan or creating distant and out-of-reach management style without making a good balance between micromanagement and macromanagement. When face-to-face interactions are habitual or communities in close proximities share mutual knowledge, it makes spontaneous problem solving easier and "adoption of social norms for the production of public goods less difficult" (Jordana, 1999, p. 59). The open system can then counterbalance the prioritisation culture that puts 'funds first, people second' to a 'people-centred and funds-valued' ground.

4.3 Linking Social Sustainability with the Third Sector Workforce through Theories

4.3.1 Social Sustainability Theory within A Third Sector Organisation

Not only does stable employment provide social cohesion, but it can also contribute to social sustainability for TSOs, given there are consistent values intrinsic and extrinsic to TSOs.

Sustainability science has been facing challenges from the one pillar ecological-centred model to the triangular model where social, economic and environmental emphases shall be equally addressed. The latter interprets sustainability as a combination of both the ‘natural’ processes, i.e. to preserve and protect the environment, and the ‘social’ processes, i.e. to allow human interactions. This enables us to build internal systems of social structures to address issues around political, ecological, cultural, social and economic areas. Within such systems, social sustainability is regarded as having both an ‘analytical’ concept as well as a ‘normative’ one. Ensuring social sustainability, to build a picture of the common future for all, requires values delivered as a result of sustainable development. Meanwhile, this common future, as the norm in any given social system, should be analysed in the process and monitored once the norm is established. (Littig & Griessler, 2005)

“In the third sector, [...] social aims are typically the primary aims or are among the primary aims of organisations in what the language of current times refers to as the ‘triple bottom line’: alluding to social and environmental objectives as well as, and underpinned by, financial objectives” (Bridge et al., 2009, p. 114). Thus, the triple bottom line is connected with the endeavours for the public benefit as a way of driving forward social sustainability.

Social sustainability can be translated into two contexts within the third sector. One is how each organisation is valued and analysed to form a collective norm that enables the sector to thrive and serves social purposes for the society, e.g. equity, justice, education and employment to name a few. The other is how each member of each organisation in the third sector is valued and analysed to form an organisational norm that sustains the employees’ livelihood and provides them the means to achieve their passion and potential, as norms prescribe and sanction the behaviours arising from roles as general expectations (see Chapter 2.2.2).

The first part is about delivering organisational values externally, resonating with the low-level culture perceived by the outsiders, whilst the second one an internal value delivery, resonating with the high-profile culture perceived by the insiders. Both parts must coexist to ensure the social sustainability of the third sector workforce and those benefiting from their work.

For the sake of the argument and simplicity, the first part will be referred as the ‘TSO Services’ context, resulted from organisational values being delivered externally as the low-level culture, and the second part ‘Workforce Development’ context, resulted from organisational values being delivered internally as the high-profile culture.

Furthermore, sustainability exists when the reciprocal relationship between nature and mankind’s social needs remains in balance under a viable and long-term symbiotic relationship. From the ‘needs’ point of view, Littig & Griessler (2005) emphasised the key importance of ‘work’ in the society is to ensure the existence of sustainability (Figure 6). Therefore, work provides the glue to ensure sustainability is maintained and social needs and nature are dependent upon each other.

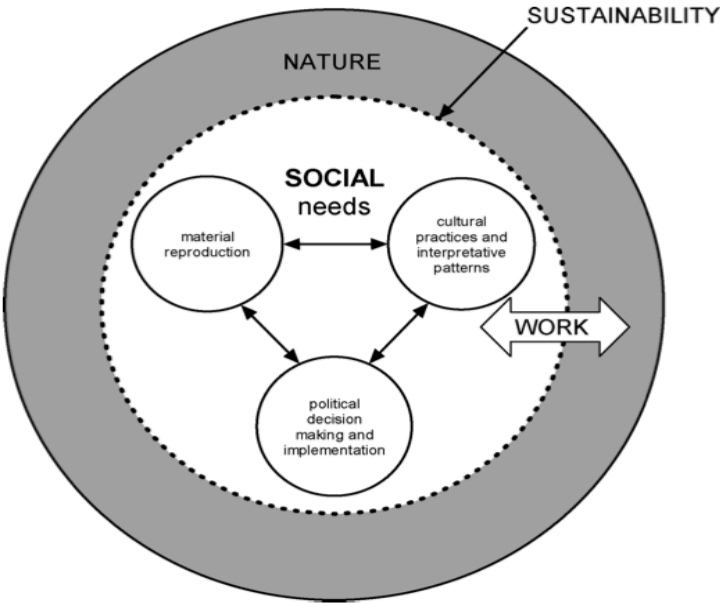


Figure 6 Schematic portrayal of sustainable development and the relationships between society and nature (Littig & Griessler, 2005)

4.3.2 Microscopic Sustainability within Social Sustainability

Social needs in this context are addressed by TSOs through aiming to eradicate poverty, rectify social injustice, protect children’s rights and provide education, to name a few. These TSO workers provide the collective action to enable the social side of bargain for sustainability. Whilst they work to redress the “predominant (northern) modes of production and consumption, which are clearly harmful to the environment” (Littig & Griessler, 2005), their noble endeavours cannot persist if their professions are discouraged by the society.

It is important to ensure “the psycho-socio functions of gainful employment (time structure, identify, etc.), citizens’ integration (due to the high social status of paid work), and the significance

of paid labour for social cohesion”(Littig & Griessler, 2005). These functions are social needs for an organisation.

Ronalds (2010) pointed out that the broader approach to view international development workers is that this workforce is people-centred, i.e. needs and interests satisfied by realising personal full potential and living productively and creatively, rather than being growth centred (Ronalds, 2010, p. 66). The workforce focuses on power redistribution and institution transformation in a participative and local level to create social change (ibid). The connection between the social needs of an organisation (Workforce Development/high-profile culture/internal value-delivery) and the beneficiaries’ benefits (TSO Services/low-level culture/external value-delivery) is similar and as an extension of sustainability system from Figure 6 (Figure 7).

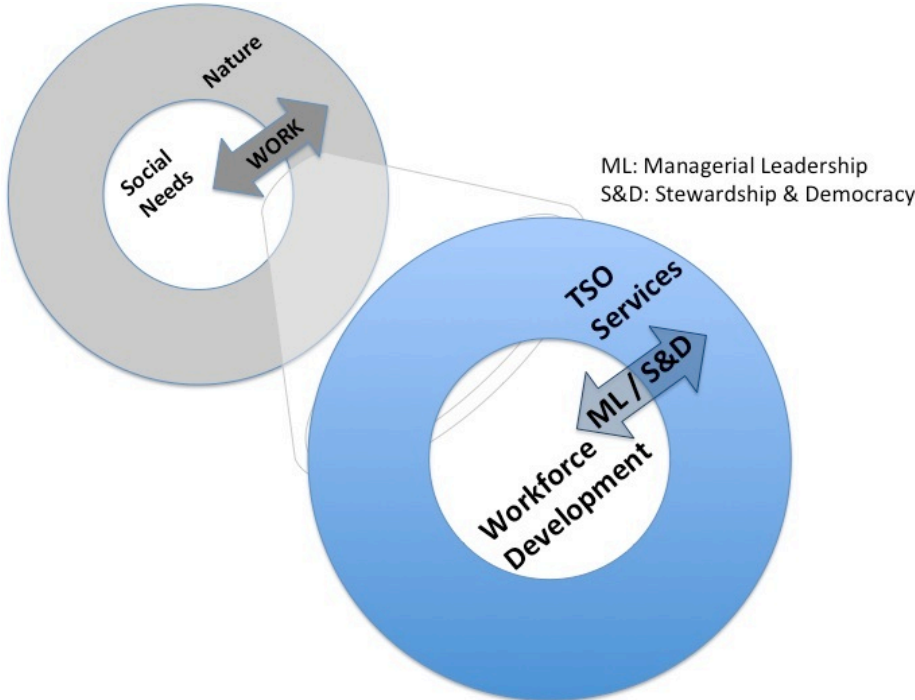


Figure 7 Sustainability bound by the relationship between Workforce Development and TSO Services, as an extension of WORK from Figure 6 (Created by Author)

The same extension can be applied *mutatis mutandis* to illustrate the enablers of horizontal communications and power relations for sustainability through the consistency, cooperation and symbiotic relationships, respectively between management & leadership for managerial leadership and stewardship & democracy for governance (Figure 8), as discussed in Chapter 3.

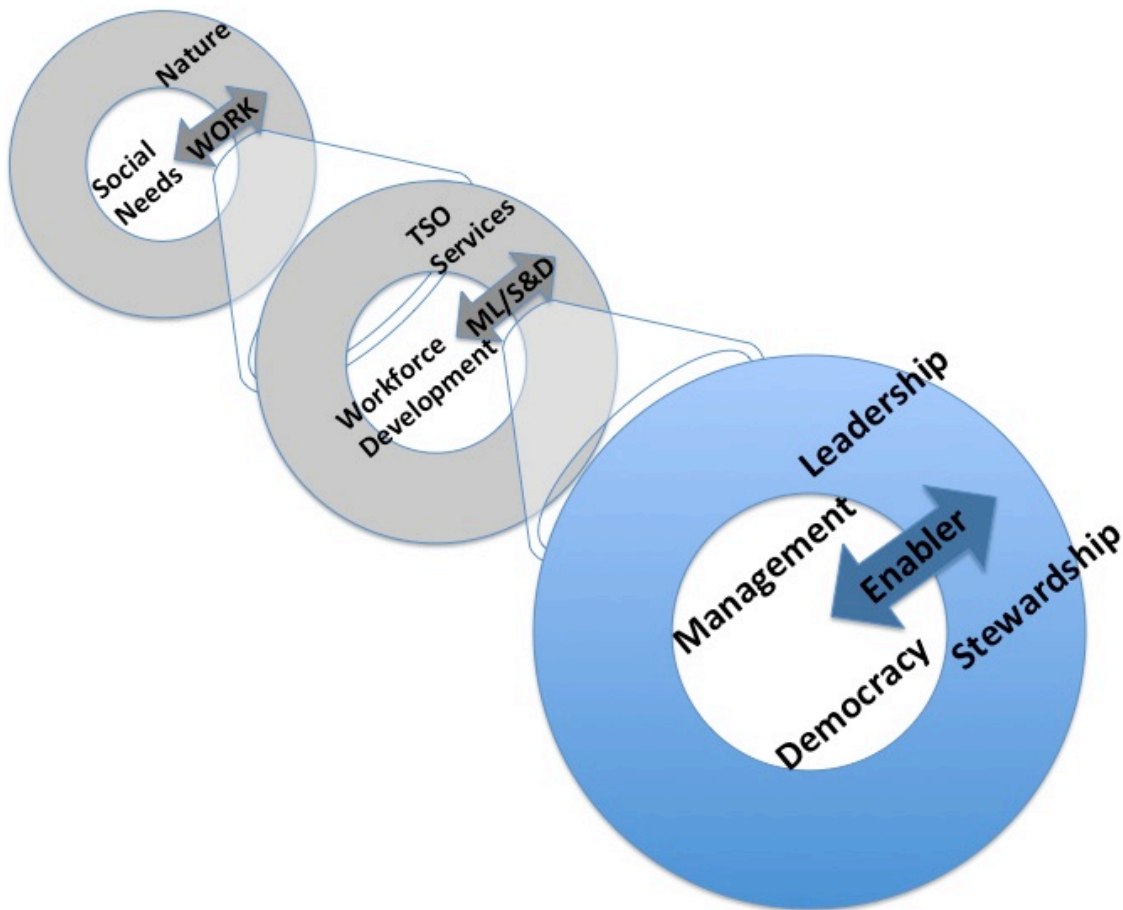


Figure 8 Sustainability bound by the relationship between Management and Leadership / Democracy Theory and Stewardship Theory, as respective extensions of ML and S&D from Figure 7 (Created by Author)

The hypotheses of Figures 7 and 8 concludes that when there is consistency between the internal and external value delivery, by all means, the workforce benefits from social sustainability as the extension of work that glues the social needs of the society and nature.

Putting Figure 6 under the microscope to magnify the work tensions within TSOs through Figure 7, and the same magnifications thereafter to Figure 8, serves to see how the meaning of work that affects social sustainability entails subsets of sustainability issues. In Figure 7 and 8, the subsets of sustainability issues are no longer limited to the social aspects since the triple bottom line is applicable to both scenarios. However, such microscopic examinations provide a view that sustainability science in a third sector organisational context cannot be a one-tier causation but a multileveled feedback loops, where a single aspect of sustainability, namely social sustainability in the context, can trigger further discussions of the whole aspects of sustainability. The discussions can spin off infinitely in the microscopic view because sustainability is inherent and susceptible in the multiple relations within the social capitals inside and outside TSOs.

4.3.3 Cooperation to Promote Subjective Wellbeing and Organisational Values

Another tool to help link the internal and external values for the TSOs is through cooperation within all staff members to prevent the gaps from taking place. Thus, the human capital connections must be strengthened to form strong social capital within individual TSOs and the sector.

Coleman (1990) explained the relations between human capital and social capital via triangular connections. However, in the case of the third sector, due to its typical four groups of roles, the relations here will be explained via a square shape (Figure 9). Each node describes human capital within a TSO. The lines connection the nodes are social capitals within a TSO.

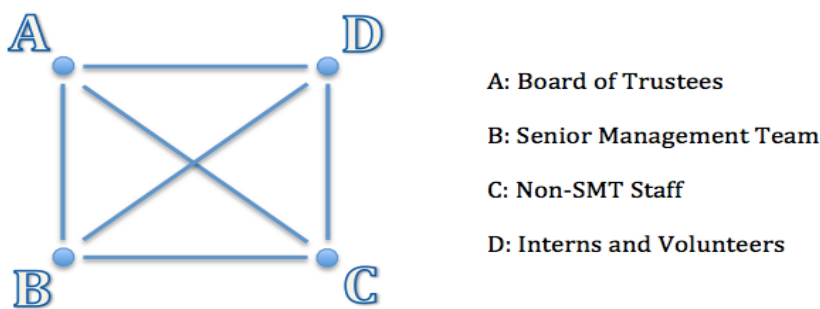


Figure 9 Four-person structure: human capital in nodes and social capital in relations, adopted from (Coleman, 1990, p. 305) (Modified by Author)

In a simplistic view where the TSO stratification of roles is reduced, A and B becomes X and C and D become Y, the human capital and social capital interacts through a straightforward linear relationship (Figure 10).



Figure 10 Two-ameliorations: social capital and human capital in relations (Author)

The simplistic connection makes it easier to explain the advantage of cooperation through prisoner's dilemma in the game theory.

In a prisoner's dilemma, there are two criminal suspects being interrogated by the police. The suspects are interrogated separately without knowing what the other suspect. Cooperation means remaining silent. Defection means confession. A defection by either one will mean better payoff for the person who defects, regardless of what the other suspect defects or cooperates. However, the

dilemma comes in because the payoff is worse for both of them in the case of both defecting than both cooperating. (Axelrod, 1984, p. 8)

This means cooperation works out for their best interest with higher payoff and lower risk. In numerical terms, Figure 11 below provides a simple to show that if both cooperate, they both get a one-year imprisonment, instead of 10 years for one and free for the other or both 5 years. In addition, both suspects remaining silent allow the game to continue and iterate until the police decides to let both go, if that is an option (but it is not the case in this theory).

		Suspect Y	
		Defect (Confess)	Cooperate (Silence)
Suspect X	Defect (Confess)	X: 5 Years Y: 5 Years	X: 0 Years Y: 10 Years
	Cooperate (Silent)	X: 10 Years Y: 0 Years	X: 1 Year Y: 1 Year

Figure 11 Prisoner’s Dilemma: Payoff under the combination of cooperate or defect by both suspects (Modified by Author)

In a TSO scenario, cooperation between X (Trustees and SMT) and Y (Non-SMT and Unpaid Staff) will enable the organisation to sustain itself and carry on with its game (of creating and delivering its value). Putnam (1993) called it a “brave reciprocity” that enables a stable equilibrium between both players. As long as no one defects, the iterated game calls for a sense of mutual-aid and allows the cooperation to sustain indefinitely (Putnam, 1993, p. 178).

Under this scenario, X group and Y group in a TSO will continue to seek to reinforce each other’s payoff via the mutual aid assumption, possibly in a unspoken manner. The unspoken manner can be the common ground that both formed as their prior knowledge before entering into the game. It means that for the internal value realisation, the values will be the common ground for both to abide by. Likewise, the external value will be delivered to the beneficiaries under the consistent values that are reflected internally.

In the unpaid internship example, it allows the X group (managers) to abide by the fact that the TSO aims to, say, enable low-wage workers to get a fair pay outside their organisation, whilst at the same time playing the same cooperation strategy within the organisation to avoid using unpaid interns to boost productivity.

The cooperation helps the internal and external values to be consistent and reach equilibrium. As a result, the subject wellbeing of staff members, especially the non-SMT and unpaid staff, will be enhanced through better treatment, communication and respect.

Moreover, Axelrod (1984) also suggested three methods to sustain the cooperation game:

- (1) “[M]aking the future more important relative to the present;”
- (2) “[C]hanging the payoffs to the players of the four possible outcomes of a move; and”
- (3) “[T]eaching the players values, facts, and skills that will promote cooperation” (Axelrod, 1984, p. 126).

For (1), augmenting the importance of the future is the strongest relevance to social sustainability for the organisation and staff. For both players of X and Y to understand the needs of each other in a prolonged future, both players will endeavour to play the cooperation game and promote mutual aid longer. Thus, the less powered unpaid interns and volunteers will be able to respectively receive fair pay or demonstrate altruistic aims. In turn, work will enable the connection between social needs and nature where the interns and volunteer will regain fair social cohesion while forming a stronger social fabric for the civil society and help realise what the TSOs are set out to achieve.

Finally, the cooperation model is also applicable to provide a consistency effect in promoting effective governance and managerial leadership (Figure 12).

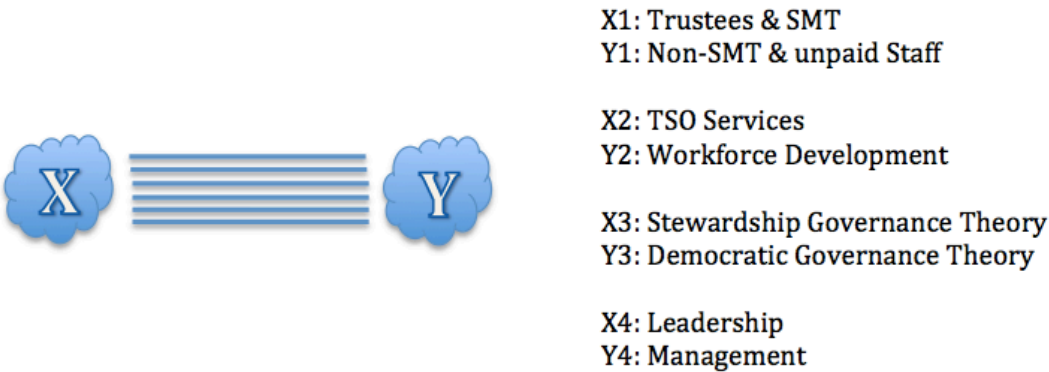


Figure 12 Prisoner’s dilemma application of the human capital and social capital to X2/Y2, X3/Y3 and X4/Y4 (Created by Author)

By adopting the cooperation model for X2/Y2 as hypotheses, the tensions of internal and external value-delivery can reach consistency because of the reciprocal altruistic relationship behind closed doors. So are the cases of X3/Y3 for an agglomeration of governance models and of X4/Y4 for managerial leadership (chapter 3.1.2).

4.4 Chapter Summary

The purpose of this chapter is to answer the last two sub-questions:

4. What are the connections drawing the proposed paradox between the third sector and its workforce to the concerns of social sustainability?
5. How can the challenges of social sustainability between the third sector and its workforce be understood through theories explored?

To do so, the chapter is divided in 3 sections. The first section introduces the employment hardship encountered by the altruistic TSO workforce. As evidenced by data, the third sector employs the highest proportion of graduates from higher education, yet subject to a very limited job market and volatile short-term contract culture. The philanthropic professionalism and donor influence are introduced again to explain the causes of such hardship, which leads to concerns of social cohesion and social sustainability for the workforce.

The section session focuses on the organisation's governance, management and communication. While the external values are being delivered as the top priority for the TSOs, to bring the internal values up to the same level, the funding-needs prioritisation must be shifted to a 'people-centred and funds-valued' approach. This can only be achieved by combining the tools of agglomeration of stewardship and democracy governance theories, managerial leadership and horizontal communications.

Finally, the third section seeks to link the addressed employment hardship and social sustainability through different tools. The schematic portrayal of sustainable development and the relationships between society and nature was introduced to link the importance of work to social sustainability. Through this model, another lens could be replicated to view the tensions of 'Workforce Development' and 'TSO Services'. The microscopic view can also be extended to the governance theories and leadership/management theories. Through connecting work with social sustainability, one can also see that the extension of social sustainability entails multilayers of triple bottom line models. However, the importance of cooperation is also a key to bridging the consistency of internal and external values. Subsequently, the prisoner's dilemma theory is introduced to explain the benefits of oppositions working in cooperation, under the reciprocal altruism. Such cooperation will ensure an iterated game that both players avoid to defect. In the context of TSOs, two sets of values, governance theories and leadership/management styles can also be applied to achieve optimal benefits, thus benefiting the workforce to achieve social sustainability.

5 Conclusion

To answer the main research question, “What is the social sustainability paradox between the social values delivered by the third sector but unrealised internally for its workforce?”, the thesis is structured in three main sections that address five sub-questions.

In Chapter 2, the topology of the third sector lays out what matters to the third sector in relation to its workforce, values and missions. The third sector comes with a typical hierarchical organisational structure, with four major roles. The workforce originated from collection voluntary action groups to professionalised organisations. The uniqueness of the workforce is its strong altruism to work for the benefit of the public and the values it creates.

In Chapter 3, the legal structure of the TSOs is described. In so doing, the power relations within TSOs can be examined through leadership, management, governance and professionalism. All of these are factors driving forward the third sector values. However, it is found that the third sector is not as independent as the general public expects it to be due to the philanthrocapitalistic professionalism. The state and market donors remain influential in the third sector’s value delivery and work cultures. Under such influences, the third sector shows inconsistency in its internal value realisation and external value delivery for the public benefit. As a result, the workforce can experience the ideological gap between the altruism and good causes for which they fight and the failing expectation of their organisations to apply internally the same values of service delivery.

In Chapter 4, the altruistic workforce and its employment hardship are discussed and problems evidenced with data. The emphases of stewardship/democracy governance theories, managerial leadership and horizontal communications hold the keys to bridging the gaps. Subsequently, the element of social sustainability is introduced to link work with social needs and nature. The link can then be extended under microscopic to analyse how the aforesaid key tools matter to sustainability. Finally, the prisoner’s dilemma theory is introduced to provide the cooperation aspects of the same tools to address the social sustainability challenges for the TSO workforce.

Therefore, the thesis is concluded, after identifying the tensions for organisational values and social sustainability for the workforce, through using the framework to link social needs and nature to develop subsets of sustainability model hypotheses as well as applying ‘prisoner’s dilemma’ to treat cooperation as a strategy, verifying how consistencies of values can enable workforce sustainability.

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Appendix – Mind Map

