

***“Mythology, Meaning and Money:  
Unlocking The Secrets of the Volunteer Organisation”***

**By**

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This is a chapter from the book, "The Power of Culture", the 5th book in the AIM Management Today Series (publisher McGraw-Hill Australia).

## **Executive summary**

The worlds of business and government are undergoing transformative change. Old organisational forms and leadership/governance structures are collapsing and new ones are tentatively emerging from their ashes. Organisations that have been designed and managed as if they were machines based on linear, hierarchical principles of organisational ‘engineering’ are being replaced by dynamic networks or complex adaptive systems in which individuals and teams choose to come together to achieve important goals.

Commonly expressed challenges facing leaders in today’s organisations are the need to “do more with less” and the need to “win the war for talent” and the need to promote greater corporate agility and risk management capability in adapting to a turbulent environment.

This paper examines several examples of organisations that have created powerful cultures that motivate people to volunteer their time, energy and talents beyond the requirements of any formal employment contract. These new *volunteer organisations* may suggest new paradigms that leaders in the public and private sectors can learn from in responding to the challenges they now face.

The paper also explores the new organisational strategies and structures, the new leadership styles and the new people management policies and practices that have evolved to support volunteer organisational cultures.

## Introduction

There are many signs that business and government are struggling to reinvent themselves and adapt to discontinuous change in their environments. Over the last few years, many companies have seen their stock prices plunge by 50% or more. At the same time, profit margins are being mercilessly squeezed by the growing low-cost enterprises in China and by the increasingly knowledge based economies of South Korea, Ireland, Singapore, Finland and, of course, the United States. Corporate failures and scandals have caused investor confidence in corporate governance to plummet and, consequently, equity capital is not as readily available for innovative ventures as it was a few years ago. On top of that, younger workers are forcing business to accommodate their values and their expectations of greater balance between work and the other facets of their chosen lifestyle.

“During this transition period (since the year 2000), optimizing business performance is no longer as important as adapting the business to a fundamentally new reality.”

Adam Hartung and Mark Youngblood<sup>1</sup>

Governments are facing their own challenges. For example, they are struggling to restore investor confidence in capital markets; build secure communities in a world of terrorism and SARS; fund the needs of an ageing population; and control and tax the vast global trade in information goods (such as financial transactions, computer software, music and video files) that are moved over the internet without any reference to their customs agencies. At the same time, innovative governments are striving to reinvent themselves as the facilitators of knowledge economy industry clusters, and the brokers of the synergistic outputs of these clusters to world markets.

In this white-water world of death and renewal, corporate success is increasingly dependent on leaders who can build a new model of organisation - the *volunteer organisation*. That is: An organisation in which people go beyond mere compliance with the terms of their employment contract and volunteer their creativity, personal networks and some, at least, of their discretionary time and energy, in order to add value to the organisation and help it achieve its mission and objectives.

It is important to recognise that we are not focussing here on organisations that rely on volunteers to get their work done; e.g. charities and NGOs, etc. Any organisation, in any industry or government sector, can become a “volunteer organisation”; i.e. an organisation with a culture that inspires and sustains people in volunteering their creativity, their passion, their networks, knowledge and skills that may not be directly related to their formally defined jobs, and part of their discretionary time to activities that contribute to the organisation’s success. In other words, a “volunteer organisation”, as we are using the term here, is one that engages all stakeholders - as whole human beings - in the pursuit of the organisation’s mission and objectives. It is an organisation where contributing to the organisation’s objectives is rewarding for its own sake because of the intrinsic value of the organisational mission or the intrinsic value of the experiences involved in doing the work.

This paper will explore the dynamics and determining characteristics of highly successful volunteer organisations. It will also explore how volunteer cultures can be developed within any organisation, whether it is a public, private or not-for-profit enterprise.

## Why create a volunteer organisation?

In answering this question, here are two brief case studies that demonstrate what is possible when you create a true volunteer organisational culture.

### **Successful volunteer organisation no. 1**

*Question:* Which business has successfully done all of the following?

- ?? It successfully entices thousands of people to volunteer weeks of their discretionary or free time to help it achieve its objectives.
- ?? It regularly secures millions of dollars of free media coverage around the world.
- ?? Its leaders have enormous global political influence.
- ?? The world's top talent competes passionately to work for the organisation – for free!
- ?? Public buildings in the nation's largest city carry the organisation's logo.
- ?? Governments compete to provide the infrastructure for the organisation's next global franchise.

*Answer:* The International Olympic Committee (IOC) .

In case you think that the IOC's amazing success story is unique, then consider this second case study.

### **Successful volunteer organisation no. 2**

*Question:* Which organisation has achieved all of the following?

- ?? It has successfully motivated thousands of people to devote their lives to its cause, often working under conditions of great hardship and isolation from their families .
- ?? It has developed an innovative organisational structure , based on leading-edge principles of complexity theory, which enables it to adapt continuously to a highly dynamic and hostile competitive environment .
- ?? It has a corporate strategy, culture and leadership style that generate enormous ingenuity in 'doing more with less' – so much so that it has achieved some astounding wins against the world's most powerful and resource-rich organisations .
- ?? It has developed passionate loyalty among millions of its customers around the world – many of whom challenge their governments to offer greater support for the organisation.
- ?? Many of its employees have literally sacrificed their lives in order to help the organisation achieve its goals.

*Answer:* Osama bin Laden's Al-Qaeda terrorist organisation has achieved all of these things in the difficult 'business' of selling a spiritual and political mindset into a global market.

Of course, there are many more examples of not-for-profit organisations and charities that have created volunteer organisations: Rotary International and The Lions Club; Ian Kiernan's 'Clean Up Australia' and 'Clean Up the World' programs; political parties and lobby groups; The Scouts and The Guides; and numerous other charities, NGOs and community organisations around the world.

Importantly, some private enterprises have also created strong volunteer organisations. For example, eBay (the online auction marketplace where customers volunteer to do 'performance appraisals' on other customers offering goods for sale) and companies such as The SAS Institute, Microsoft, The Body Shop and Virgin Enterprises – all have high levels of corporate loyalty and employee commitment.

Organisations that possess a volunteer organisation gain at least three advantages over those that rely on the traditional carrot and stick approach to motivating their employees and other stakeholders:

- ?? *Cost reduction.* Their cost base is reduced as they attract valuable inputs that are essentially free.
- ?? *Knowledge economy capability.* They are building an organisation that is likely to be more successful in attracting and retaining knowledge workers and more competitive in the emerging new era of the knowledge economy.
- ?? *Agility.* They have greater agility in sensing and adapting to changes in their external environment as a result of employees (and other contributors to the organisation's purpose) volunteering their insights about the changing texture of the environment and the organisation's interaction with it.

### **Cost reduction**

By definition, voluntary contributions to organisational objectives are essentially "free" inputs to the organisation. So the more of these free inputs an organisation can elicit from its stakeholders, the lower will be its overall cost base – and the greater will be its competitive advantage relative to its competitors. In addition, the voluntary contributions that we make to causes that we value are usually intrinsically rewarding (i.e. we derive satisfaction and meaning simply from the act of making them). Hence, the more an organisation can create the circumstances where people are motivated to volunteer, the more intrinsic rewards it has available to it. Often these intrinsic rewards can reduce the requirement for the organisation to pay extrinsic, financial rewards in order to compete for the best employees in the labour market. Ask yourself, would you sacrifice some salary dollars to work for an organisation like Cochlear that helps deaf people hear again rather than take essentially the same job for more money in a cigarette company or armaments manufacturer?

The following example illustrates the cost reduction (or profit enhancement) potential of making the transformation to a volunteer organisation. Some years ago I was working with an organisation that audited businesses on their compliance with international quality standards. It had a large team of quality assessors who visited clients' sites around Australia in order to conduct quality system audits. The auditing Division was losing money. In an attempt to turn the business around, senior management decided to change the structure of the business so that the assessors were given an area franchise and offered an opportunity to basically run their own business (or they would be helped to find alternative employment elsewhere).

You might argue that those who decided to be part of the new structure were not really volunteers because their old jobs had been unilaterally taken away from them. However, the

new structure did appear to change the mindset of the assessors to one that reflected the mindset typically found in a volunteer organisation :

- ?? People volunteer ideas and initiate action designed to reduce costs and increase customer satisfaction, retention and repeat business .
- ?? People strive to add value wherever they can, regardless of whether something is in their job description or not.
- ?? Leadership is displayed by people throughout the organisation - they use their initiative, take reasoned risks, accept responsibility for outcomes, and help others to develop

The bottom line was that the new structure turned the business from making a loss to a substantial operating profit within a month or two. The assessors who accepted the new franchise structure volunteered to work in ways that substantially changed the cost base of the business and thus enabled it to be profitable. Many of them were also more satisfied in this new working arrangement as it gave them more scope to innovate, develop their personal networks, and manage their work/life interface in more flexible ways.

While this case study shows how costs can be significantly reduced in an organisational structure that fosters volunteering, it also shows something else. Not everyone chose to be part of the new organisation - some people preferred to seek employment elsewhere where they could continue to experience the security of a traditional, hierarchical structure and predictable financial rewards for predictable job inputs (and perhaps also the freedom of not caring too much about their employing organisation's mission and goals).

### **Knowledge economy**

The growing importance of information and knowledge as the basis of competitive advantage in developed economies is transforming the world of work. This is the basis of the emerging *knowledge economies* – that is, economies where the primary source of wealth creation is knowledge (in the form of smart technology, commercially valuable intellectual property, smart business processes, or the innovative thinking and team working that enable faster responses to today's commercial opportunities and threats). Already, around three quarters of the Australian workforce is employed in the knowledge and services sectors. Education is now Australia's seventh largest export earner and recently displaced wheat, beef and wool in importance as an export commodity. <sup>2</sup>

The market value of knowledge-rich companies like Microsoft, Intel and the leading professional services and consulting companies is several times the book value of their tangible assets. Countries like Ireland, South Korea, Singapore and, of course, the United States, are actively developing themselves (or, at least, are developing cities and regions within their borders) as “knowledge economies” and actively competing to attract the world's leading researchers and creators of intellectual property. Their governments understand that if the leading knowledge workers choose to live and work in their country then investment finance and wealth generating knowledge-based businesses and industries will follow them.

Here in Australia, government agencies such as Standards Australia and the Office of Western Sydney are studying the dynamics of successful knowledge economies and are applying their insights into facilitating the creation of globally competitive “knowledge regions” and “industry clusters” (for details, see [www.westernsydney.nsw.gov.au/home.html](http://www.westernsydney.nsw.gov.au/home.html) and [www.knowledge.standards.com.au](http://www.knowledge.standards.com.au) ).

A consortium of businesses in Noosa on the Queensland coast have got together to create Noosa as a “third millennium university” by which they mean that the whole town will be organised to maximise learning, knowledge creation and use. Their vision is of a network of business organisations, together with universities and research institutions, in partnership with government agencies and community groups all working to maximise the synergy and market value of products and services that are focussed on supporting Noosa’s village community with its attractive lifestyle experiences and which utilise the latest e-commerce and other information technology to enable its knowledge workers to stay connected to their professional communities and global markets. <sup>3</sup>

Even in companies that may not see themselves as fundamentally knowledge based, there is still much to be gained by capturing and managing knowledge effectively. A survey of knowledge management conducted by the leading strategy consultancy, McKinsey & Co, found that the best-performing companies were far more likely than the worst-performing ones to use creative techniques for acquiring, processing and distributing knowledge - everything from emphasizing teamwork in product development to holding competitions for the best ideas. <sup>4</sup>

At a macro level, knowledge economy industry clusters (that is, clusters of knowledge-based firms, such as educational institutions and research and development laboratories, within an industry sector) appear to be driving the unfolding knowledge economies, with government agencies acting as brokers and facilitators. This form of meta-organisation, comprising a large network of small and medium enterprises (SMEs), is one of the two organisational paradigms that Massachusetts Institute of Technology sees as likely to dominate in the twenty first century. Large networks of SMEs are already evident in industries such as motion picture making, IT, biotechnology, consulting and construction.

“Successful knowledge sharing is 90 percent cultural, 5 percent tools and 5 percent magic.”

Mark Koskineemi <sup>5</sup>

When the Office of Western Sydney (OWS) went looking, it found over 1500 IT firms in Western Sydney – most employing less than 10 people – and most unaware of the existence of the other firms. OWS is now trying to foster greater interaction between these firms to increase the likelihood of partnerships and clusters forming that can then be brokered to global markets. In other words, it is creating Western Sydney as a knowledge economy. <sup>6</sup>

In a sense, these knowledge economy industry clusters are forged via a process of volunteering. When people in small to medium firms link with each other to form a large network that generates knowledge-rich products and services for global markets, they are volunteering to partner with others to create a new organisational form (a network).

At a more micro level, we find that knowledge -work is not amenable to tightly structured job descriptions and performance measures. Knowledge workers are highly educated, self-reliant, and primarily committed to their professional associations and networks rather than to their current employer. For them, ‘rewards’ are not just money in the hand today, but also enhanced status, professional satisfaction, and competitiveness in securing attractive future work opportunities (and a sustainable income stream). These rewards derive from doing leading edge work with new technology and talented colleagues. They want some elbow room to re-invent their jobs as they encounter interesting ideas and projects and opportunities to learn. If these

conditions are met, knowledge workers will volunteer their talents, their networks and their creative energies to achieve the objectives of a particular client or employing organisation. In summary, in order to be successful in the post-industrial knowledge economy that is emerging in Australia and around the world, leaders must learn how to create, sustain, and continually re-create new organisational forms. These new organisations will be places where globally mobile knowledge workers choose to work and contribute their skills, experience and creativity. In other words, they will have volunteer cultures.

### **Agility**

In organisations that have a more traditional 'contract' or 'machine' culture, rather than an organic, volunteer organisation, their ability to adapt to a changing external environment (and the even more strategically important process of shaping that environment to the organisation's advantage) is decreased.

- ?? There is uncertainty as to whose job it is to monitor the environment and identify opportunities and threats.
- ?? The fulfilment of contracted commitments is more important (partly because it is more highly rewarded) than identifying the need to change a contract in order to take advantage of a competitive opportunity or deal with an impending environmental threat.
- ?? There is no sufficiently important higher-order goal to which people are committed that would inspire them to sacrifice their individual and team interests in order to ensure that timely action is taken to protect and enhance the interests of the whole organisation.

No-one seems to 'own' the organisational system and culture that reinforce the above characteristics or issues, and so system/culture change is impossible to initiate from within. In successful volunteer organisations, whether the IOC, Al-Qaeda or the Scouts and Guides movement, these issues are overcome or circumvented.

- ?? It is everyone's responsibility to monitor the environment and identify opportunities and threats (indeed the very act of volunteering implies that one has accepted some responsibility for contributing to the success of the organisation).
- ?? The health and success of the overall organisation and its brand identity is acknowledged as being far more important than individual interests and contracts (partly because the most powerful rewards derive from participation in organisational successes rather than from satisfaction of the terms of any individual or team performance contract).
- ?? For as long as people continue to volunteer, they psychologically claim part ownership of the system and its culture, and demand a voice in how the system operates and adapts to its environment.

In his book, *New Rules for the New Economy*, Kevin Kelly proposed a number of 'laws' that must be obeyed in order to succeed in the fast moving world of the network economy. One of them is the *Law of Churn* which advocates: 'Seek sustainable disequilibrium'.<sup>7</sup> In contrast with the industrial age that we are leaving, where organisations have been viewed and managed as machines to be controlled by a driver and maintained by engineers who will pull it apart and oil it and reassemble it from time to time, Kelly argues that we are moving into the era of the Network Economy where life is very different.

In this networked, organic economy the role of the leader shifts from that of machine driver or engineer or system controller to the role of ecologist; that is, someone who creates the conditions for a sustainable order to emerge from the often surprising and unpredictable interactions between the various components of the system. The system adapts because its components are drawn to the organisational system by its life-giving properties and voluntarily participate in the processes that maintain the system's ecological integrity. For example, the

“As networks have permeated our world, the economy has come to resemble an ecology of organisms, interlinked and coevolving, constantly in flux, deeply tangled, ever expanding at its edges. As we know from recent ecological studies, no balance exists in nature; rather, as evolution proceeds, there is perpetual disruption as new species displace old, as natural biomes shift in their makeup, and as organisms and environments transform each other. So it is with the network perspective: companies come and go quickly, careers are patchworks of vocations, industries are indefinite groupings of fluctuating firms....The biological nature of this era means that the sudden disintegration of established domains will be as certain as the sudden appearance of the new. Therefore, there can be no expertise in innovation unless there is also expertise in demolishing the ensconced.

In the Network Economy, the ability to relinquish a product or occupation or industry at its peak will be priceless. Let go at the top.”

Kevin Kelly <sup>8</sup>

buyers and sellers in the eBay online auction eco-system play by the rules that give life to the system or are excluded from it by a process that is largely self-organising.

In summary, the self-organising characteristics of volunteer organisations are increasingly valuable in today's dynamic global markets. So, when leaders invest in creating a volunteer culture in their organisation they are also making an investment that will help to “future proof” their business by building its capacity to sense and respond to changes in the external environment.

## How to create a volunteer organisation

There are a number of critical levers of change that can be used to create a volunteer culture. They can broadly be classified as relating to:

- ?? strategies, structures and stories;
- ?? complex leadership ;
- ?? HR that is built in, not bolted on .

The two success stories presented at the start of the chapter (the IOC and Al-Qaeda) will now be examined for clues as to how leaders in the public and private sectors can create volunteer organisational cultures.

### Strategies, structures and stories (or how the IOC attempts to make volunteers of us all)

Before proceeding to look at the case of the IOC, let's acknowledge that there has been widespread public disenchantment with certain aspects of the way in which the IOC has, at times, used its wealth and political clout to further its ends. There is nothing in the dynamics of volunteer cultures that insulates them against greed or unethical behaviour. However, for our purposes in this chapter, we are not interested in how some people in Olympics officialdom attempted to further their organisation's ends in unethical ways. Rather, we are interested in how the IOC masters the dynamics of the volunteer culture to generate enthusiasm and elicit basically free contributions to its objectives by tens of thousands of volunteers workers and elite athletes.

So what is it that enables the IOC to attract people and motivate them to contribute their time and energy? There are four answers to this question.

### ***1. Historically important goals***

Firstly, the IOC has structured its entertainment offerings so that they are organised around a high profile, prestigious event (the Olympic Games) with a relatively long performance cycle (the Summer and Winter Olympics are only held every two years). The over-riding focus on a relatively long term, publicly announced and non-negotiable big event acts to keep people energised and working hard through difficult periods.

On a personal level, paying off one's mortgage or helping one's children through the HSC are comparable historically important or big events in many people's lives that provide meaning and focus in challenging and uncertain times.

### ***2. Mythology, symbols and ceremony***

The various Olympic events are wrapped in mythology, symbols and ceremony that raise them above the ordinary world of business, short term financial budgets and operational targets. They are stage-managed as historic events. Being involved with an Olympic event is an opportunity to leave a mark in the pages of history – or at least to rub shoulders with those who will do so. Clearly, this is not just another job, not just 'work'.

Some other examples:

- ?? Anita Roddick, of The Body Shop, successfully wrapped her products in a mythology that lifted them and her company out of the ordinary.
- ?? Microsoft and IBM have also been, at one time or another, 'mythology rich' companies – to work there meant that you were special and were involved in work that was shaping the world.
- ?? In its recruitment advertising, The Australian Defence Forces tries to wrap its business in a mythology of excitement, mateship, pride and high future employability.

By contrast, in many organisations, there is little mythology beyond that of 'the numbers' or the personalities on the executive floor and their political struggles with each other; or perhaps a general mythology of fear that causes people to work ridiculously long hours and play value-destroying games in order to avoid losing their jobs or their status in the organisational pecking order.

### ***3. Powerful symbolic rewards***

The IOC relies heavily on non-financial, symbolic rewards for most of the stakeholders who directly contribute their time and effort (the athletes and the volunteer guides, drivers and so on).

For athletes, the IOC and its affiliates offer only symbolic medals, ticker-tape parades and other non-financial rewards designed to build reputations, boost egos, and provide psychological benefits (although the winning athletes may go on to make big money because of their achievements in the Games). In this respect, the Olympic organisation has cleverly created a set of low cost, high value rewards that are generally underutilised by most other businesses.

In the case of the volunteer support staff, we have heard them say on SOCOG's communications videos that they volunteered because they wanted to put something back into the community; to help show off their city to the world; to be part of a historic event, a once in a lifetime experience. No-one mentioned a search for monetary reward or career advancement – and yet it is precisely these latter rewards, not the former, that are the dominant form of incentive relied upon to induce high performance in most organisations.

In passing, it should be noted that the IOC does offer financial rewards and incentives for some stakeholders (for example, those who provide the funds for its operations and those who vote in the franchise allocation process). However, we can see growing community concern being expressed about the ethical and social desirability of the IOC continuing to be so reliant on financial incentives in some of these areas of its activities.

#### ***4. Work that engages the human spirit***

The Olympics stirs the passions; it engages something at the core of the human spirit. We are encouraged to cheer those in our midst who are winning; we do not hide our tears when our countrymen and women fall short of expectations. We clap and cheer the athletes from all competing countries. The athletes, in turn, openly acknowledge the boost they get from our visible and audible support for them in the heat of competition.

Compare all this to the lack of appreciation and recognition reported in the workplace in almost every employee survey that is conducted by myself and others. Contrast the Australian crowd's generous applause for the achievements of athletes from other countries with the lack of acknowledgement in the workplace for the successes achieved by people in other departments. In the Olympics, the volunteer support staff and the crowd members (who play a blurred role that is part customer and part contributor) actually pay with time or money for the opportunity to encourage star performers working to fulfil our performance expectations. In the workplace, by contrast, we typically moan about the level of remuneration given to top executives or to star sales representatives. The differences between the two situations include:

- ?? In the Olympic 'workplace', the supporting cast actually gets a much closer insight into the work and the sacrifices made by the star athletes – the media helps to ensure this. We can admire the talents of the Olympic athlete and because we know the sacrifices they have made, we do not seem to mind them claiming glory and gold if they win.
- ?? When our athletes win, they are in a sense winning for us. In post-Games interviews, athletes such as Cathy Freeman and Ian Thorpe expressed tremendous feelings of relief at being able to meet the high expectations that the Australian community had placed on them. By contrast, in most workplaces, top executives and star professionals are more likely to place high expectations on their support staff and to be blind to or rejecting of the expectations that the workers have of them.
- ?? In the Olympics, we are all directly involved in the celebration of victory. Everyone in the crowd (both at the Olympic stadium and around the world in front of TVs and radios) can join in the cheering when one of 'our team' wins a medal. We all get something of the psychological reward that comes from the achievement. In the workplace, however, the star performer gets their bonus or their trip to Hawaii and the rest of us are largely ignored. We probably only hear that because of increased global competition some of us will lose our jobs and for the rest, well, the performance standards will be even higher next year.

### **Complex leadership (or how Al-Qaeda creates an organisation to die for)**

I believe that managers in the public and private sectors can learn a lot about managing people in dynamic, challenging environments and with scarce resources by examining the operation of an organisation like Al-Qaeda. Of course, I am not in any way endorsing either Al-Qaeda's mission or its operational methods. I am only interested in how the organisation goes about structuring work and motivating people in order to achieve its objectives.

In supporting my selection of this case (and, indeed, of the Olympics case discussed above) I would add that disruptive technology rarely emerges from the mainstream organisations that created and used the preceding generation of technology. This truism applies just as much to the emergence of new organisational and leadership technology as it does to the forms of "technology" with which we may be more familiar; e.g. Information Technology, biotechnology. In order to see the shape of tomorrow, we must examine the periphery of our vision not look straight ahead.

What kind of leadership creates an organisation where people are literally willing to sacrifice their lives for the good of the organisation? The study of leadership in dynamic shifting networks such as the Al-Qaeda terrorist organisation may be pointing the way to the future of leadership in organisations that have to adapt to the kinds of surprises that are characteristic of today's business environment.

In a complex adaptive system, there appears to be no single 'leader' position. There is a system spokesperson or icon who embodies the major goals and values of the organisation and who shows his/her followers how to acquire resources and develop their own 'cells' (project teams, business units, etc). These cells carry with them the intelligence of the whole system but are not dependent for survival on the survival of any particular set of other cells. They have considerable autonomy to identify opportunities and threats within their local environment and to initiate action to advance the interests of the overall organisation.

Richard Branson also displays many of the characteristics of complex leadership in running his Virgin empire. He plays a valuable complex leadership role in establishing the character of the whole network of enterprises by personally, visibly and theatrically embodying the corporate values of creativity, entrepreneurship, breaking the conventional rules of business, and making business fun. He gives Virgin employees opportunities to turn their crazy ideas into new businesses and encourages them to grow with their new brainchild business if it takes off. His separate businesses have a high degree of autonomy as long as they operate in ways that are consistent with the over-riding Virgin brand and satisfy Branson's criteria for success.

The US Marines is another organisation that now regards 'leadership' as a system property rather than as a property of either a person or a position. They have recognised that a mission is much less vulnerable to the death or capture of a formal 'leader' and to attacks on communication lines if intelligence about the goals and strategies of the organisation and the authority to act on local information is widely distributed in the organisation.

More generally, in knowledge based organisations, with their networked teams of knowledge workers, the performance of leadership activities tends to move with the changing importance of different sets of expertise that need to be brought to bear on the emerging challenges of the work.

Russ Marion and Mary Uhl-Bien have studied Osama bin Laden's leadership of the terrorist organisation Al-Qaeda and argue that it represents a new leadership form that they describe as *complex leadership*.<sup>9</sup> Their name for this new form of leadership indicates that it is leadership that emerges in complex adaptive systems that operate in turbulent environments. Marion and Uhl-Bien have identified the following key characteristics of complex leadership.

- ?? In complex systems, organisations and their leaders are products of interactive dynamics. That is, leaders do not simply create the system in any mechanistic, linear sense but are also created by it, through a process of interdependent action, complex and often conflicting feedback loops, and emergent order that is largely unpredictable and often surprising.
- ?? Indirect, rather than direct, leadership behaviours are more effective in complex systems. Complex leadership moves away from traditional assumptions regarding hierarchical bureaucracy and top-down leadership control. Complex leaders must temper their drives for control and instead foster and create the circumstances in which the bottom-up behaviours volunteered by employees and other stakeholders will self-organise (within the constraints set by the organisation's mission and its corporate values) to take the organisation forward. In this way, their role is more that of ecologist than pilot or engineer or owner.
- ?? Complex leadership is not necessarily imbedded in a formal position but permeates the whole organisation. Differences between 'leader' and 'follower' are blurred as 'leadership' actions are displayed in a mosaic of changing patterns that adapt to local environmental circumstances.
- ?? Complex leaders can improve the 'fitness' of the system by enabling what Marion and Uhl-Bien call 'distributed intelligence'. That is, complex leaders foster (as opposed to determine) connectivity among diverse agents and enable effective coupling of structures, ideas, and innovations to ensure they are neither too loose nor too tightly interdependent. The complex leader links the various cells (teams or business units) of the organisation with a system-defining ideology and mythology, resource allocation strategies, communications technology and a variety of catalysts that speed up emergent behaviour and processes. Catalysts can be interpretations of external events; visible and symbolic leadership actions; the appointment of key leaders or other organisational actors; and so on.

### **HR – built in, not bolted on**

In organisations that are part of the knowledge economy, where a volunteer organisation is essential for success, we can see the emergence of a new paradigm for managing many of the functions that have typically been the responsibility of a human resources (HR) department. No longer is "human resource management" a specialist function assigned to a separate HR Department that is bolted onto the mainstream organisation (where the "real work" gets done) but now it is built into the very fabric of the day-to-day work that constitutes the organisation's value-creation process. Team leaders and middle managers become actively involved in staff selection, performance coaching, appraising, motivating and rewarding their people – it is part of their real job, not something that is perceived as keeping them from their real job.

Successful knowledge-based organisations (that is, those where people choose to work together to create and to share knowledge) satisfy the following conditions:

- ?? People care deeply about the organisation's objective and strategy (and are therefore motivated to voluntarily self-organise).

- ?? Knowledge sharing is a group value or norm (and sharing is therefore likely to be reciprocated).
- ?? The habit of sharing is recognised and rewarded by the group regard less of the value of what is shared on any given occasion (and therefore every act of sharing is reinforcing) .
- ?? People have frequent opportunities to reflect on their experience and to interact with each other (knowledge is created out of experience, self reflection and relationship).

It is not possible to plan, organise, direct and control knowledge workers in these organisations in the same hierarchical, directive way that production workers have typically been managed. Leading edge knowledge organisations expect their knowledge workers to expand the design of their jobs to maximise the value they are able to add to the organisation. For their part, knowledge workers seek to work in organisations that give them the freedom to innovate on tasks that enable them to maximise their competitiveness in the labour market and promote their reputations in the professional networks that are important for their future success. So, leaders of knowledge based organisations must be able to nurture the creation of organisational environments in which knowledge workers choose to volunteer their time and their talents. This typically involves a major transformation of leadership and people management practices.

For example, in the knowledge economy, training and development (or, more generally, learning) occurs in the process of doing interesting and challenging work and in interaction with one's peers and clients. By the time learning has been captured by formal trainers or educators and translated into course curricula it is often out of date. In addition, the process of providing knowledge and skills in formal courses does not forge the relationships between knowledge workers that constitute their most prized personal assets – their professional network and professional reputation. It is the professional network of a knowledge worker that is critical in keeping him/her up to date with the latest developments in the field; and that provides the leads that help him/her secure their next job when their current work contract finishes or when the knowledge worker finds an opportunity to acquire more leading edge knowledge and skills elsewhere. Moreover, formalised training and development does not allow the knowledge worker to acquire the tacit knowledge that can only be gained from direct experience in doing the work.

In the knowledge economy, the workers do indeed own the tools of production – at the very least, they own the ‘tacit knowledge’ that is often the secret ingredient that enables codified knowledge to be transformed into value adding business results. Tacit knowledge is codified knowledge (facts, theorems, principles, laws, etc) embedded in a person's experience, beliefs, perspectives, and values. To keep one's tacit knowledge growing probably means that a knowledge worker can never afford to become ‘loyal’ to a single employer; or plan a career in a single employer. In particular, knowledge workers will either not join or will soon leave employers that do not have a culture that promotes ongoing experimentation, learning and active knowledge sharing – that is, a volunteer organisation.

HR departments continue to have an important role to play in knowledge based companies, for example, in shaping corporate culture so that it attracts and retains leading knowledge workers, and in deploying technology and building organisational infrastructure that facilitates ongoing learning and knowledge sharing. However, the findings from the field appear to indicate that knowledge workers are often ‘doing it for themselves’ – especially in the emerging organisational form that can best be described as a dynamic network of small -to-medium firms. Waiting for an HR department to codify ‘people management’ policies and practices and then resource and implement them is simply too slow – and often not conducive to the creation

either of valuable knowledge or of enhanced knowledge worker competitiveness in the professional labour markets that matter. Opportunities to gain valuable knowledge and enhanced employability are powerful motives for volunteering time and energy to an organisation.

Even Al-Qaeda may have its people management specialists but they are more likely to be team leaders and ‘line’ workers who are doing real work in ways that excite followers, communicate values, link experienced and novice workers so that learning occurs, forge partnerships with other networks having complementary aims and resources, celebrate achievements, and encourage cells to reproduce and mutate in ways that make sense in the face of changing local environmental circumstances. If this way of working gives us a window into the future of organisations that are successful in creating powerful volunteer organisations then HR becomes distributed leadership and the traditional, centralised HR Department becomes redundant.

In other words, in complex organisations like Al-Qaeda and in the similar organisational forms we find in the knowledge economy, “people management” or HR is built into the fabric of the day-to-day work of getting things done through people and is not outsourced to specialists so that managers do not have to worry about the people part of their jobs. In these organisations, inspiring, guiding and supporting people as volunteers of creative contributions that cannot be completely specified in advance is accepted as an integral part of the role of effective leaders.

### **Applying lessons from successful volunteer organisations**

It may at first sight appear that organisations such as the IOC and Al-Qaeda, are special or extreme cases and that other organisations cannot use similar tactics in building their own volunteer organisation. However, there are other well known and successful mythology-rich organisations that have created a culture where people have been motivated to go beyond the minimum requirements of the paid job. Earlier mentioned examples are The Body Shop, IBM and Virgin.

Let’s examine now how some other well known industries might apply the principles of successful volunteer organisations:

*Banking.* Why couldn’t a bank create a mythology built on the long tradition of banking and its role in helping individuals and businesses grow and realise their dreams?

- ?? The bank could make customers, staff and shareholders aware of the individual, corporate and community dreams that it is helping to realise and invite people to be involved in celebrating moments of success.
- ?? It could invite its community of stakeholders to join with it in supporting or celebrating in some way the dreams being pursued by its customers.

After all, the Olympic lesson is that people are keen to identify with and assist people pursuing a worthwhile dream, especially one that is memorable, which enhances the image of their city or their country, or which embodies values that Australians hold dear.

People are also hungry for opportunities to come together in a sense of community – to know each other as part of an interdependent whole. Surely, this is part of why the ‘Mexican wave’ enjoys such popularity at sporting events, including the Olympics. In ‘the wave’ we can actually see our interconnectedness and ability to act together in a coordinated, joyful way.

*Manufacturing.* Why couldn't a manufacturer create a mythology-rich community around its products? Harley Davidson has given an excellent lead in how this can be done.

- ?? The manufacturer could find ways for customers to share their experiences with and ideas for using the product.
- ?? It can create opportunities for stakeholders to come together from time to time to celebrate what's memorable about their experiences with the product.
- ?? It could adopt a community cause – one that was related to its particular business and its corporate values – a cause that would wrap the product in a higher purpose and provide a deeper bond between its various stakeholders.

This is the strategy of The Body Shop and it provides a powerful motivation for employees and customers to volunteer effort for The Body Shop's activities.

*Local government.* Why couldn't a local council create a mythology-rich vision for its community and the region it inhabits (as Noosa is doing)?

- ?? The Mayor and the elected Councillors could specify their vision in their election platform. They would not just attempt to woo the voters with vague statements on micro issues such as holding rates down, improving parking or increasing garbage services. They would indicate how they intended to engage all sectors of the community in creating a place where citizens, families, businesses and visitors would all have attractive roles to play in giving life to the community and to its natural environment.
- ?? It would create physical places and Internet-based, virtual "town halls" where people could come together to discuss aspects of their community and participate in its democratic governance. There could be incentives for participating in community building; e.g. lower rates for citizens and businesses who take responsibility for contributing to the vision espoused by the elected community representatives. This form of incentive would, in fact, recognise that people can contribute in many ways (not just financially) to creating the community that the majority has chosen as their preferred future.
- ?? Partnerships could be established with other communities that are on similar community building journeys so that people can learn from each other.
- ?? Data could be disseminated showing (perhaps) how volunteer communities have lower crime rates, lower incidences of vandalism, lower rates of depression, etc. This information would also help to motivate community building contributions from a larger percentage of community members. The feedback of this information on a regular basis to all community members would help people learn the cause-effect relationships between their contributions (or lack of contribution) to the community, on the one hand, and the quality of community lifestyle and amenity that they all experience, on the other.

## **Volunteer Organisations Are Not For Everyone**

At the end of this Chapter is a list of steps that you can take to get started in transforming your organisation's culture into a volunteer culture. But, how do you know if a volunteer culture is right for you or for your business? And, what are the risks in developing such a culture?

First, let's be clear that we are not involved in an all or none decision here. You might decide that your organisation's competitiveness could benefit by a higher degree of self-organising, intrinsically motivated creativity (i.e. volunteering) in some branches or divisions or regions

but not in others. You might aspire to nurture volunteering or bottom-up initiative for some activities (like customer service) but not for others (like workplace safety). You might even decide that a volunteer culture would help the business be more profitable or competitive but that you would not personally like to work in such a culture with its lack of detailed direction from management on what you should do and its constantly changing network of relationships. You may have enough self-insight to know that you actually like being the boss and giving directions so that things happen exactly your way. This leadership preference will not suit you to working in volunteer organisations.

While the research does not yet appear to have been done that indicates which types of industries or organisations have the most to gain from a volunteer culture and a business model that utilises volunteers, we can speculate that volunteers and a volunteer culture will add value in situations where:

- ?? The organisation's mission and objectives are historically important and socially significant; i.e. people deeply care about one or more of the objectives (and are therefore motivated to volunteer and self-organise for the intrinsic rewards that are involved in doing so).
- ?? Volunteering and mutual cooperation and inter-dependence are part of the organisation's value system, norms and mythology. For example, it will foster volunteering if part of the organisation's mission is to create or strengthen or transform the sense of community in the world. As we see in the case of Al Qaeda (and in aggressively competitive organisations such as Microsoft) a volunteer culture can also be built around a mythology of a cooperative "us" who are in the community and an opposing "them" who are not (at least, not yet).
- ?? The habit of volunteering is recognised and rewarded by the organisation's leaders at all levels regardless of the value of what is contributed by an individual or a team on any given occasion (and therefore every act of volunteering is reinforcing). The most powerful rewards for volunteering are likely to be symbolic rather than financial, as financial rewards can undermine the intrinsic satisfaction and personal sense of identity and meaning that come from giving oneself to an important cause. In many cases, a mix of (moderate) financial and (significant) symbolic rewards will be optimal as people are then enabled to commit to the organisation's work as "real" work that can pay the bills while also allowing them to maintain a sense of giving something of themselves in a way that rewards them with meaning and identity.
- ?? People have frequent opportunities to interact with each other, to reflect on their shared experience, and to celebrate victories (however small) or to commiserate and re-group after defeats. Interaction through good times and bad creates community and a willingness to sacrifice one's individual interests for the benefit of the organisational community (including other employees and valued stakeholders). In fact there may indeed be very little sense of sacrifice involved as one comes to re-define one's "self" as a "me-in-community" self rather than a "me-against-the-rest" self. In this case, acts of giving to one's community are self-enhancing rather than self-diminishing.
- ?? Moments of organisational success create events that are able to be experienced as significant celebrations or joyful milestones by all of the organisations' employees, volunteers and other contributors. A volunteer culture may be harder to sustain where "success" is defined in a way that is intangible or diffuse or invisible (e.g. ROI, EBITDA, etc). This hypothesis would lead us to predict that a religious organisation, for example, would have a stronger base of volunteer supporters when its leaders focus their efforts on making visible to their congregations the signs of "God" that are

manifest in people's lives than when they preach religious doctrine that is more ethereal, esoteric and in contradiction to the real life experiences that give pleasure and meaning to the individuals and families in their congregations.

I was tempted to add to the above list the requirement that an organisation planning to build a business model based on a volunteer culture should not require specialist skills for the majority of its grass-roots tasks. I initially felt that no organisation could indefinitely rely on large numbers of highly qualified professionals volunteering to assist it. But then, I thought of NGOs such as Medecins Sans Frontieres and the global environmental groups that do depend on specialist volunteers for their continued viability and success. Most hospitals and educational institutions also have something of a volunteer culture in that many of the doctors and nurses and teachers employed in them have a vocational calling to their work that leads them to volunteer to do more than they typically are financially remunerated for. You cannot pay people to genuinely care for their customers/clients - caring has to be volunteered.

### **Risks in Being a Volunteer Organisation**

There are also some risks associated with having a powerful volunteer culture. As we have already noted, volunteer organisations are “messier”, more chaotic places to work in or lead than hierarchical, command and control structures where people do as they are told by their superiors. People typically volunteer because the organisation's mission matters to them (or because the experience of doing the work of the organisation matters to them) and hence they are likely to try to exert some influence on what happens in the particular part of the organisation in which they happen to be. They are also likely to resist direction from formally appointed leaders that is inconsistent with their expectations of the organisation and of the volunteer experience.

We can see the messiness of volunteer cultures when we get involved in our school's P&C Association or take office in our local sporting club or in our professional association. Indeed, we can also see this messiness in workplace special projects for which volunteers have been called. Decisions often take a long time to be made and plans get implemented (or not) in a rather haphazard way. Hence, volunteer cultures may not be suitable to businesses such as construction companies that must frequently implement important projects that have tight time deadlines. However, we should remember that State Emergency Services organisations throughout the country are mostly operated by volunteers and yet they are highly effective in dealing with time-critical projects. The fact that they spend weeks in training and the fact that their work is galvanised and “directed” by the demands of a visible external crisis or threat may be the key factors that enable the volunteer structure to work successfully for them.

Perhaps the greatest risk with volunteer cultures is that people may get so committed to the organisation's cause and to their role in the organisational community that they become blind to the need to adapt to shifting external circumstances. This appears to be the case in many universities in recent times. It seems clear that governments and large sections of the community are questioning the value-for-money that universities deliver in today's fast-moving knowledge economies. However, many academics seem to have failed to engage with this shift in their external world because they are blinkered by their conditioning and mythology with its emphasis on academic independence, peer review and the sacrosanct nature of education for its own sake.

## **Conclusion**

Any organisation can benefit from an examination of the organisational examples discussed in this Chapter and from deep reflection on the lessons that can be learned from them for creating a volunteer organisation. We have shown how the forces that nurture a volunteer culture might be inculcated in banks, manufacturing organisations, local government, etc in order to reduce costs, promote knowledge creation and sharing and to enhance organisational agility in anticipating and responding to environmental changes.

At the heart of the lessons we have learned about the volunteer organisation is the power that comes from nurturing a sense of historic endeavour and passion that can transform mere work into a source of meaning derived from opportunities to give full expression to important aspects of the human spirit. In successful volunteer organisations, leaders have managed to weave a mythology around their mission that makes contributing intrinsically rewarding and that offers individuals opportunities to create more meaningful lives. These leaders use rituals and ceremonies and symbols to create and sustain a strong sense of community among the diverse contributors to the organisation's objectives – a community that becomes part of how people define their identity as a human being and to which making "sacrifices" is no sacrifice at all but rather an act that enhances the worth of one's "me -in-community" self.

The fact that some of the examples are not typical organisations (the Olympics and Al -Qaeda) should not be used to dismiss the lessons they offer. After all, disruptive technology, strategies and policies are rarely first employed by organisations in the mainstream. Dinosaurs never see what destroys them!

## Some first steps for creating a volunteer organisation

### 1. *Increase awareness*

- ?? Increase the awareness among managers, employees and other stakeholders of emerging new products and services and players in and around your industry.
- ?? Raise awareness of any new, organic or 'volunteer' forms of organisation (in any industry) and of the theories and models that that people in these organisations use to think about work, leadership, responsibility, change, learning, careers, rewards, performance, success and failure, and so on.

### 2. *Monitor existing volunteering activities*

- ?? Involve people from across your organisation (or your part of it) in monitoring the activities in and around your industry for which employees, clients, suppliers and other stakeholders are already volunteering: e.g.
  - ?? Clients and/or suppliers using self-service or other online technology;
  - ?? Clients writing letters of complaint;
  - ?? Employees or clients participating in industry lobby groups;
  - ?? Clients forming product/service 'user groups';
  - ?? Clients, potential clients, investors and potential investors creating information sharing websites about your industry, your organisation, your products and services;
  - ?? General exposure of all stakeholders to press coverage of your industry; workplace gossip, graffiti and humour; books and movies that portray your industry in certain ways.

### 3. *Investigate volunteer motivation*

- ?? Using interviews, focus groups, surveys or informed brainstorming, identify the motivations behind people's decisions to 'volunteer' in the activities identified in above. For example, it may be because they want more control over service quality or transaction costs; more openness in communicating with customers, investors and other stakeholders; or faster responsiveness to changing customer needs.

### 4. *Future casting*

- ?? Use futures studies techniques, such as scenarios, to create plausible stories of how your industry and organisation would look and operate in (say) 10-15 years' time if those volunteer-driving motivations were fully satisfied in mutually rewarding partnerships with your organisation.
- ?? Involve people from across your organisation in what is called 'backknowledge casting' from the future vision to the present day. In other words, help people imagine themselves in the future scenarios and ask them to write a 'reverse history' of how the future vision for their industry/organisation was realised; for example, what were the key decisions, actions and events that led to the future vision coming to life?

### 5. *Make a plan*

- ?? Establish a project team comprising representatives of all major organisational stakeholders to develop a plan for making the journey to being a true volunteer organisation with the appropriate culture, structure, leadership style and people management policies and practices.

?? The first step should be a plan for enhancing the readiness of the organisation to commence and sustain the changes that will be involved; For example conducting benchmarking visits to successful volunteer organisations to learn more about what is involved; providing training in change management skills; engaging temporary employees to free key people to participate in and drive the change; etc.

6. *Develop a leadership development strategy*

?? Ask the planning project team to develop a strategy for assessing the capacity of leaders (including you) to implement the changes involved in creating a volunteer organisation; and then operate in the new organisation. The team should recommend a plan for identifying, supporting and, if necessary, moving on or out people who cannot or choose not to go on the journey to the new ways of working.

7. *Initiate the plan*

?? Initiate the plan in the part of the organisation for which you have responsibility. Lead by example in displaying behaviours consistent with those that define a volunteer culture.

## For further exploration

- ?? Kelly, K. 'New Rules for the New Economy', *Wired Magazine*, September 1997, issue 5.09 (available online at: [www.wired.com/wired/archive/5.09/](http://www.wired.com/wired/archive/5.09/)).

A stimulating insight into the new economics that govern the emerging world of global communication technologies and organisational networks.

- ?? Marion, R. & M. Uhl-Bien, 'Complexity Theory and Al-Qaeda: Examining Complex Leadership'. Paper presented at *Managing the Complex IV: A Conference on Complex Systems and the Management of Organisations*, Fort Meyers, FL, December 2002 (available online at [www.isce.edu/site/Marion\\_Uhl-Bien.pdf](http://www.isce.edu/site/Marion_Uhl-Bien.pdf)).

A paradigm busting examination of a new leadership form that has emerged in complex adaptive systems like the Al-Qaeda terrorist organisation.

- ?? Petzinger, T., *The New Pioneers: The Men and Women Who are Transforming the Workplace and the Marketplace*, Simon and Schuster, New York, 1999.

A description of companies that operate in more creative, self-organising ways.

- ?? Saul, P. 'Managing the Organisation as a Community of Contributors', *Asia Pacific Journal of Human Resources*, 1996, vol.34, no. 3, pp.19-36 (available online at [www.petersaul.com.au/org-as-community.pdf](http://www.petersaul.com.au/org-as-community.pdf)).

Presents a useful model for determining the appropriate type of organisation and people management practices for different parts of the business and for different categories of worker.

- ?? Wheatley, M., 'The Real Work of Knowledge Management', *IHRIM Journal*, April-June 2001, vol. 5, no. 2, pp. 29-33 (available online at [www.margaretwheatley.com/articles/management.html](http://www.margaretwheatley.com/articles/management.html)).

An insightful analysis of the dynamics of the knowledge economy and of its requirement for higher levels of 'volunteer' behaviour from workers.

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8. Kelly, K, *New Rules for the New Economy*. [www.wired.com](http://www.wired.com) Issue 5.09, September, 1997, p.11
9. Marion, Russ and Mary Uhl -Bien, *Complexity Theory and Al-Qaeda: Examining Complex Leadership*. Paper presented at "Managing the Complex IV: A Conference on Complex Systems and the Management of Organizations", Fort Meyers, FL, December 2002