

# Contrary and Congruent Views of Leadership and Management in the Australian Social Economy

***A research project by***



"The 21st Century will be the century of the social sector organisation. The more economy, money and information become global, the more community will matter. And only the social sector nonprofit organisation performs in the community, exploits its opportunities, mobilizes its local resources, [and] solves its problems. *The leadership, competence, and management of the social sector nonprofit organization will thus largely determine the values, vision, the cohesion and performance of 21st Century Society.*"

Peter F Drucker, Drucker Foundation 1999

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Via this report we introduce the concept of "open source research". This idea parallels the very successful open source movement in the software industry exemplified by Linux, Firefox and thousands of other valuable projects. A core element of the open source movement<sup>1</sup> is a license that forces derivative works to be as free as the material on which it is based. In this way, intellectual property can enjoy total freedom, maximising its opportunity to be used and improved. Academia has a long tradition in this vein. The difference here is the legal framework that requires derivative work to be shared publicly and for free.

## **Note**

The data and evidence were collected in this study during the period July – October 2007. Since then conditions may have changed. Hence, interpretations provided in this report may also have changed in the interim and in the period of dissemination and discussion about the outcomes of the study. The reader is referred to the archives for further verification of both data and interpretations. These preliminary findings are shared in the spirit of action learning and collaboration, an organising theme in the conduct of the research. Your constructive criticism either with the team via email or via the SEEEN discussion forums ([www.seeen.org.au](http://www.seeen.org.au)) is welcome.

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<sup>1</sup> For an overview and introduction see the wikipedia entry at [http://en.wikipedia.org/wiki/Open\\_source](http://en.wikipedia.org/wiki/Open_source).  
More information and resources are available at <http://www.gnu.org/>

## Chapter 10: Ambiguous language and miscommunication

*Concepts are so ingrained in people; they don't know what's happening to them*<sup>98</sup>

With the ongoing analysis of data being generated by the project some quite unexpected outcomes were found. Upon further investigation, the issues became more, not less clear. As more and more commentary was analysed the problem was revealed – the participants' communication was in fact very ambiguous. The words being used (for example, funding, competition, cooperation, business, etc) carried multiple meanings and could be easily misunderstood.

As a consequence, participants often do not appear to realise that they are talking or writing about quite different ideas / concepts. They (as encoders) assume the meanings they ascribe to words are shared by others (as decoders). In effect there are shared word forms and little shared meanings which are the product of their interpretation. Hence, when the different word-meaning relationships are **not** made explicit, there is "miscommunication" which can lead to misunderstanding, inconsistency and contradiction. In addition to disagreements, the miscommunication can result in a false sense of agreement/alignment (creating false hopes), or unnecessary disagreements (when people think they are talking about different ideas that are in fact the same)<sup>99</sup>.

This general observation was made many times during the research. Throughout the conduct of the research, many examples of the inconsistency in use of language were observed. In the processes of communication, Social Economy members used "common words", that is, words accepted into the vernacular of the Social Economy (irrespective of its diversity and complexity), to describe what is/was assumed to be a fair symbolic representation of the concepts under discussion<sup>100</sup>. The result was a mix of uses of concepts which in the views of many respondents meant many things. How does this come about? The issue is complex and requires far greater analysis and conceptualisation than is possible here. But from the data it may be possible to suggest a simple process.

Participants were wedded to certain ideas that represent an issue or concern to them. Clearly, funding is one of these ideas; so too, are alliances, partnerships, and capacity building. (As a side issue many of these ideas of great concern are instigated by those outside the sector, for example, by business or Government). When these ideas are used in local contexts there is a tendency for members to mask these ideas with their own new meanings. We take the concept of alliance as an example.

The concept "alliance" also has multiple meanings for participants. It may be conceived as short-term partnerships, as long-term integration of interests between a for-profit corporate and a Social Economy organisation, and these interests may be political as well

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<sup>98</sup> TLF2 58:30

<sup>99</sup> This general observation was made many times during the research. We found it, for example, in the final session when participants talked about "self-interest" as a form of ideology, as something of perceived attraction, as selfishness, as degrees of separation from etc.

<sup>100</sup> Our interests in the study were not about **how** the language was produced although it was acknowledged that this was a matter for further analysis outside this research. Nor was the study preoccupied with how SE members learn a concept and how meanings are "attached to" or "inherent in" the concept. The focus was on the reality of observing language-in-use as a way of making sense of the data in the context of participants "use of language".

as financial<sup>101</sup>, and other meanings. Hence, when one member from an organisation speaks to another, his/her use of the term alliance may have a strong political (read "personal") calculation underlying the meaning of the word. In another instance, especially in a conversation between the same organisations to a smaller sized organisation in the Social Economy the understandings of these meanings ascribed by each to the concepts are quite different.

The greatest achievement of politically-minded organisations, and in particular the larger more resourced and powerful corporate charities (the data suggest that leaders and managers of smaller organisations thought in these terms) is their capacity to appeal to the concept of alliance and the language of alliance-building while masking a real agenda. They mask this agenda which is inaccessible to others, by instrumentalising (using it as an instrument) the concept of alliance to achieve their own political and personal purposes. This is a far cry from the understandings of others in the sector, and it may be the bases for misunderstandings that seem to plague the sector at this time. There is a certain politic in language production.

The issue of "language" and "meaning" is therefore critical to the study and infuses every response/statement made by participants. It is an issue of central importance if the sector is to change.

In summary, language used in communication within the sector and across sectors is causing confusion and misunderstanding. It is even more confounding perhaps that what we describe briefly in the above section. Hence, the following kinds of situations may occur:

1. Common i.e. the same words are used to describe quite different concepts (Concepts and ideas that over time acquire several words to communicate their meaning)
2. Several words with different meanings acquire a similar or same (or apparently same) meaning. Over time several meanings associated with several words "collapse" into one meaning. No distinction is then made between words i.e. investment and funding
3. The same concept might be described using very different words / language.

If multiple meanings are associated with each word-concept and these word-concepts make up the language of the sector, how is it possible to begin to communicate within the sector, let alone across sectors?

### **10.1. Misunderstanding "funding"**

If we pursue the most important Key Issue recorded in our data, namely Funding and Resources, there are other ways in which a concept with its "original" word-meaning may acquire other meanings associated with other words; that is they become confused with like words used in the sector. In the data the concept of funding assumed multiple overlays of meanings such as short versus long term funding, investment as funding and

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<sup>101</sup> Participants in TLF1 conceived the term with this kind of meaning. Their view differed appreciably from others in Focus Groups.

funding as not necessarily investment, core funding as excised from general expenses, and so on. The meanings seem to have become detached from what the word used to describe the concept intended. The result is confusion.

As one respondent commented:

*In order to grow the sector [one] must invest e.g. in fundraising. Only through funding growth can we maximize benefit to the communities in which we work<sup>102</sup>.*

The quote above indicates the kind of confusion we observed in using the terms “funding” and “investment”. In general, respondents:

1. Used the terms “funding” and “investment” interchangeably;
2. Emphasised the function, purpose and importance of investment but not what it was or what it meant;
3. Emphasised the consequences of investing;
4. Used the terms “funding” and “investment” in multiple ways.

Examples of different meanings given to the term “Investment” are:

- financial backing
- short-term financial reward
- the long term assistance with the funding issues
- efficient use of available capital
- new forms of social venture
- taking responsibility
- sustainability of service and meeting the expectations or needs of the clients

Other meanings focused on the consequences and purposes of investment, for example,

- investing in projects of social significance
- Investment brings in the funding. (i.e. funding is not investment)
- a mindset within organisations of building for “value” in the long term rather than living “hand-to-mouth”
- starting point for all innovative models and projects
- Investment in services and programs important
- Investment in long-term projects is essential
- Invest time, training, effort, passion, understanding & a vision for your future (i.e. capacity)
- Investment in social equity
- increases awareness & growth of our Social Economy
- infrastructure and social development

## 10.2. Other examples

A recent blog by Social Edge<sup>103</sup> asked participants to “invent” an alternative name for “nonprofit” on the basis that the majority of programs and organisations characterised by

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<sup>102</sup> F&R 533 (1) S#1

<sup>103</sup> [www.socialedge.org/blog](http://www.socialedge.org/blog)

this name did in fact earn income and had either a surplus or negative “profit”. Over 100 terms were proposed each one suggesting meaning(s) that suited the individual view of the proposer. The outcome of this exercise alone confirms our understanding that similar words are used to describe several concepts; words with different meanings are assumed to have one meaning which is not understood by a wider public or sector members; and the same concept may be described by using different words. The problems of language-use appears wide spread across many social economies internationally.

### 10.3. Confusion and complexity at all levels

We reproduce the tentative conclusions from the second Thought Leadership Forum to illustrate the complexity of language-in-use, the real impact it has on the sector, and the need to address the issue of language use as a matter of priority:

1. There was a wide range of views about the problematic nature of concepts and their expression through forms of language communication; and about language-in-use and future language use in the sector
2. Participants expressed far-ranging set of views about the conditions of constraint under which language is used
3. Many participants had an opinion about the reasons for the current state of language-use in the sector. Foremost among them was the statement that:  
*Language over the past few years has been terribly confused because of the introduction of the language of “business”.*
4. Participants provided views on how to “fix” the problem of language in the sector. These views ranged from “do nothing - language doesn’t really matter”, to “we must act now to create multiple layers or forms of language for different audiences within and outside the sector”.
5. While participants demonstrated a desire if not reality to assert the potential power of the Social Economy, there still remained some indication of a reactive culture (“Governments control the language of the sector”; “everybody has this problem including the business sector...”).
6. There was some resistance to the language of business, reflecting a concern that the social mission might be subsumed (in the absence of an integrated view of both).

The consequences of a general misunderstanding through language use were seen repeatedly in the data. It was summarised by one participant in the words:

The ‘third Sector’ is in a circle of dependence with government and business; yet there is too often a lack of understanding of, and scepticism about, the ‘third Sector’. And vice versa! So leaders in the Social Economy find it hard to understand their counterparts much less have the language and negotiating skills to deal with them<sup>104</sup>.

Language and culture are inextricably linked. Hence to change or transform the language of the Social Economy is, as one participant so strongly advocated, also to change structures and conditions under which the sector operates. If there is to be a language, even a “common language”, there will be a need to ensure that while the

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<sup>104</sup> CAS 407, (1), S#1



conceptual content of an idea remains stable (at least for short periods of time) the symbolic representation of those ideas (and therefore their interpretation which gives rise to meaning(s)) are understandable in different parts of the sector.

#### **10.4. Questions**

1. How does the sector begin to address the misunderstandings that emerge from this situation?
2. If multiple meanings are associated with each word-concept and these word-concepts make up the language of the sector, how is it possible to begin to communicate within the sector, let alone across sectors
3. Is it necessary that these misunderstandings are addressed before we begin to consider the best approaches to change in the Social Economy?