

CROSSING OVER

Transitioning from Private sector to the Social sector

Emerging Trends and Issues

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A Third Sector Partners White Paper

INTRODUCTION

Much has been written about the similarities and differences between the social* and corporate sectors. There indeed exists a healthy body of literature on what it takes to succeed in both worlds. And of late, there is growing interest in the mechanisms required to make a successful transition from the corporate sector to the social sector and vice versa. Yet, there is little in terms of analysis on the leadership dynamics of both sectors with a view on the precise mechanics of crossing over from one sector to the other. This white paper focuses specifically on crossing over from the corporate sector to the social sector and reserves a discussion on the reverse journey for later.

BACKGROUND

As a country, as a nation, as a town, as a village, as a community, as an individual, the pressing problems of our times and the burning desire to play an effective solution-seeking role, can only escape the most die-hard of self-centered people amongst us. We all want to play a part by creating agendas for building a better quality of life for all of us. This inherent desire assumes significant intensification, when as successful professionals in our chosen corporate domain, we feel the need to transition completely in to the 'other' world. While we have occasionally been exposed to the 'not-for-profit' or NGO (non-governmental organisations) sector through charity, participation in charitable fund raisers or visits to the community organised by friends and acquaintances in the social sector, there does not seem to be a route map for making a successful transition.

TRENDS

The not-for-profit sector has grown by leaps and bounds over the last decade. On financial count alone, some estimates peg the foreign funding to this sector in 2006 at a conservative Rs. 6,000 crores. In terms of impact, we see almost daily, without exception, the manner in which civil society and NGOs contribute to the well-being of communities in both urban and rural India. The media too has had a large role to play in keeping civic conscience at an all time high through hard-hitting coverage on a number of issues, more prominently though on education, health, environment, poverty alleviation and infrastructure.

From cheque book philanthropy to active community investment, corporates too have morphed from small spectators into active community centric entities through intense NGO partnerships and consistent support to the sector. Such partnerships have taken the form of active funding and fund raising, employee volunteering and management guidance to NGOs. With the success of the Grameen Bank model in Bangladesh, the SEWA model back home in Gujarat and the award winning hard-hitting treatise on 'profits at the bottom of the pyramid' by

*The word 'social' is used across this document to mean social, environmental, developmental and community. The general sense in which this word is used is to indicate a good quality of life for all.

Professor C K Prahalad, there is a growing interest amongst corporates to socialise their businesses at the community level. Inclusion has become the key and 'market segmentation by purchasing power' seems to be receding by the wayside.

One also sees an emerging trend in Public Private Partnerships (PPP) in the social sector. While at one level, there is a growing dissatisfaction with the role of government in alleviating poverty, at another level, there seems to be an increased collaboration of mindsets: reach through government, commitment through NGOs and application of management thinking through corporates.

EMERGING ISSUES

At whatever level and depth one pitches the above scenarios, one thing is fairly certain: the drive to attain a better quality of life in a rapidly changing world requires leaders who believe in the potential of innovative ideas and systematic convergence of disparate entities to deliver social change. The same is true in helping create a healthy living environment while ensuring natural biodiversity conservation and protection of our natural resources. We have seen good leaders across both corporate and social worlds and it's their vision and commitment that has helped create many a success story.

The question is: Is there a framework or a route map that will help successful leader seeding across the fertile not-for-profit landscape?

Today, not-for-profit organisations are tightly run social businesses. At some level the convergence in their processes, operations and goals with those in the corporate sector is difficult not to notice. Yet efficiency and process driven NGOs are few and far between and corporates who help not-for-profits achieve such milestones, is a rarity. The leader amongst all of us is the one who changes this situation, to bring about a complete paradigm shift in the manner in which corporates and social organisations tackle societal problems.

CROSSING OVER

Third Sector Partners believe in the merit of professionals crossing over from the corporate to the social sector. There is a certain sense of assured victory in applying product, processing, marketing and brand building techniques to the world of not-for-profits*. While the merits of the case may be non-debatable, the timing and the framework of the shift is an important consideration.

*We could like to clarify here that crossing over of a corporate professional into the social sector does not mean that the social sector professionals have no inherent skill sets and are only waiting for a corporate sector professional to join them and bring about measurable change. The dedication, commitment, vision and ability to transcend challenges into opportunities for the benefit of the poor are qualities of many a not-for-profit founder and community professionals. While the corporate sector has lot to learn from them, our contention merely observes that the amalgamation of social sector dedication with management professionalism is a potent combination at the grassroots levels instead of walking the path alone.

There will indeed be at the very least, four types of crossover prototypes*:

Senior Corporate Managers

Mid and senior management corporate professionals who have tasted success, fame and fortune and are keen to make a difference to society. This category will also include expatriate managers.

Qualified Social Sector Professionals

Social sector professionals, who armed with a management education, establish a not-for-profit organisation. Likewise, the new phenomenon across management institutes, where graduates prefer joining the not-for-profit sector instead of a high profile career with a MNC brand, can be considered under this category.

Overseas Graduates

Non-resident Indian graduates from leading overseas universities who want to make a difference back home. This category will also include foreign nationals at a reputed university.

Foundation Professionals

Corporate professionals who belong to social foundations established by corporate entities.

All such crossovers (and there could be many more situations) are important. They play an important role in creating a leadership canvas at various points in the social organisation and at various timeline points, within the organisation's evolution.

Third Sector Partner's Cross Over Management Model revolves around an insightful understanding of issues and trends outlined in this document. The model argues in favour of a few fundamental guiding principles:

Sincerity of Purpose

At no point during a crossover phase should the needs of underprivileged communities assume less precedence than the individual fame and differentiation that can be achieved as a result of the crossover. This principle, if ignored, will be the case of a successful crossover from the corporate sector to politics!

*Here, we are not considering the occasional CEO who spends time with the community. Though, this is an important eye-opener for the corporate entity that sees CEO community engagement and may be positively influenced to participate in community work.

Timing of Cross Over

Significant considerations surrounding family, finances and choice of work location form part of this guiding principle. Family support to change course, the mind set change to accept a comparatively smaller pay package, the geographical location of the community, cultural acceptance and the ability to influence social change in a leadership role, will be significant drivers for a successful crossover.

People Matter

The not-for-profit sector is populated with individuals with missionary zeal and the willingness to take that extra step to change community lives. This same characteristic may sometimes make them less practical managers. Corporate crossovers will have to give due consideration to managing the nuances and potential of colleagues in a not-for-profit organisation. Building teams in such a situation is a challenging task requiring tremendous patience and insight into people behaviour.

Organisations Matter

Not-for-profits are like family run businesses. The writ of the founder runs large across the organisation. Corporate managers may often find it difficult to introduce operational efficiencies, human resource development, marketing, image building and related thinking and techniques into the organisation. It will indeed take a good leader with tremendous influential thinking and communication skills to make a successful transition.

Enhanced Impact

Social sector organisations in their own capacity create certain measurable impact in the lives of communities. The job for a corporate crossover is growing this impact through a systematic process of creating a learning organisation, which believes in innovation, meeting stakeholders needs through efficient projects and processes, creating prosperous communities and a sustainable local economy.

Talent Infusion

The sign of a true leader who has successfully transitioned from the corporate sector to the social sector is the manner in which she/he successfully infuses talent across all levels of the organisation. It's capacity building of people with a willingness to serve that will form the key to any successful social venture.

CONCLUSION

A recent issue of the Stanford Social Innovation Review mentions an important element of corporate-social sector transition. It talks about the “Tempered Radical” syndrome as an essential quality of successful managers straddling the corporate social divide. These are managers, who can influence change, by waiting for the right moment within the organisation's structure and framework, instead of overhauling the entire organisation.

As societies, nations and institutions get more complex and more technologically advanced simultaneously, there will be a rising population at the bottom of the pyramid, that will be served by a new breed of cutting-edge organisations. Corporate crossovers will form an important mainstay of these organisations only if they embrace the mantle of responsible leadership, incisive acumen, good marketing and organisational differentiation.

ABOUT THIRD SECTOR PARTNERS

Third Sector Partners (TSP) is committed to enhancing leadership calibre and proficiency in the socio-developmental sector. Our earnings are re-invested in building capacities for creating a firm foundation of leadership critical mass within the broader socio-economic and developmental sector.

TSP is a boutique search firm, which provides specialized services to non-governmental organisations (NGOs), institutions and corporates to enable them to recruit CEOs, leaders and board members, best equipped for the job. We also help recruit senior functionaries who report directly to the CEO or the Board.

Our services are retainer-based and can be benchmarked against the most exceptional HR standards prevalent today. TSP is associated with Hunt Partners, the first global search boutique combining in-depth local knowledge with global expertise to find the right candidate for organisations.

Our eventual goal is to infuse the world of community affairs with professionals and leaders par excellence: each organisation for whom we help recruit a CEO, board member or a senior executive, should be able to directly contribute to a measurable improvement in the quality of life of communities. TSP will play the role of a catalyst in seeking out individuals who embody innovation, presence of mind, tactical balance and an instinct for identifying the right opportunity for collective community benefits.

ABOUT HUNT PARTNERS

Hunt Partners, a leader in Executive Search, specializes in fulfilling complex CxO level searches. Hunt Partners brings to India, the first truly global boutique firm, combining in-depth local knowledge with global expertise, to find the right candidate for organisations. The Hunt Partners' leadership team comprises Jeff Stryker and Mike Raytek in China and Arjun Erry and Sunit Mehra in India.

Hunt Partners has specialist practices in the areas of Financial Services, Information Technology and Telecommunications, Industrial & Distribution, Private Equity and Board Searches. The firm, with specific industry expertise and geographic strength in Greater China and India, provides customized human capital solutions to global and regional clients requiring discreet search services.

The firm has alliances with Paul Lawrence Associates in North America and Crown & Marks Executive Search in Australia. The Asia Pacific-India-USA corridor is a unique and fast moving corridor, and through these alliances, Hunt Partners is well positioned to execute searches across the globe through high quality and experienced partners. The firm is committed to delivering superior services and will strive to exceed the highest international standards in providing human capital solutions for specific leadership needs.



Every Good Deed Deserves A Good Leader

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