

Transforming Organisational Culture in the Australian Disability Sector: the need for social business

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Abstract

Social business has been explored within the context of developing nations and its benefits in alleviating poverty (Yunus et al, 2015 and Masukujjaman et al, 2016). However, there has been little research in exploring its utilisation in other marginalised populations or its benefits in developed countries. Furthermore, the values of social business fosters an organisational culture of empowerment, continuous learning and community engagement that has not been explored (Yunus and Weber, 2007). Organisational culture is diverse, multifaceted and has long been recognised as a key component to the running of an organisation. In disability, various studies have been conducted to explore the different aspects of organisational culture (e.g. leadership, job satisfaction, employment for people with disabilities) (Rhodes & Toogood, 2016 and Bigby & Beadle-Brown, 2016). Difficulties resulting from inherent organisational cultures within the disability sector have been documented and the need to transform the organisational culture has been identified. The latest reports identify the need to change organisational culture from one of perceiving individuals with disability as 'charity cases' to one recognising them as individuals with valuable contributions to society (FaHCSIA, 2012). This article suggests that social business, which already contains values of empowerment and inclusion can support the disability sector in making the required changes in organisational culture.

Keywords: *Social business, disability, organisational culture*

1. INTRODUCTION

In Australia, the disability industry contributes significantly to the economy of the country and continues to be a major topic on political agendas. 1 in 5 Australians, 4.3 million or 18.3% of the population identify as living with a disability (Australian Bureau of Statistics, 2016). The government estimated that in 2016-2017, \$34 billion would be spent on welfare payments to people with disabilities, with this amount set to increase with the rapidly expanding sector (Parliament of Australia, 2015).

Disability impacts significantly on the Australian population. With increasing life expectancy, people are also living longer with some level of impairment. At birth it is estimated that individuals will live approximately one-fifth of their lives with some degree of disability and the prevalence of disability increases for those 65 years and above (Australian Institute of Health and Welfare 2017). People living with a disability are also more likely to face challenges in society in participating in the workforce, higher levels of unemployment, lower income and lower levels of education compared to people without disabilities (Australian Institute of Health and Welfare 2017).

The disability sector has a long history of providing support with an inherent culture of viewing people with disabilities as in need of charity and donations (FaHCSIA, 2012). This cultural perspective, although charitable, fails to bridge the gap between the need to provide support and enabling individuals to be active members within society. This culture also fosters a reliance on government welfare, which often results in unmet needs and conforming to set processes thus inhibiting innovation. Therefore, to rectify the difficulties within the disability sector, the underlying culture needs to be transformed.

1.1 Current disability sector

The majority of disability specific services are provided by the government, non-government and private sectors. Apart from the direct income support through welfare payments, under the National Disability Agreement (NDA), the government plays a major role in providing state and federal funding, mainly as block funding to non-government service providers (FaHCSIA, 2012).

In 2015-16, the Australia Institute of Health and Welfare identified that 87% of services were provided by the non-government sector, largely made up on not for profit organisations (Australian Institute for Health and Welfare, 2017). As the majority of services are provided by not for profit organisations, they have a major influence on the organisational culture within the sector.

However, the disability sector has long been plagued with difficulties with peak bodies calling for more funding and support (People with Disability Australia, 2017). Not for profits continue to be underfunded with a heavy reliance on government funding daily. Individuals with disabilities continue to experience social exclusion, discrimination and large gaps in health equity with significantly lower health outcomes than the general Australian population (National People with Disabilities and Carer Council, 2009).

In light of the mounting challenges, the productivity commission launched an inquiry into solutions to address these difficulties. The overall finding concluded that the current supports were 'inequitable, underfunded, fragmented and inefficient, and gave people with disability little choice' (Productivity Commission, 2011).

These difficulties are part of the underlying organisational culture that is currently within the disability sector. Although perceptions of people with disability are slowly evolving, there continues to be a misconception that people with a disability rely on 'handouts' and donations rather than perceiving them as active, independent members of their communities. Service providers recognise the increasing need for person centred care and support. However, due to their reliance on government funding, there are often unnecessary compliance processes, use of outdated models of organisation and constraints to flexibility and innovation (Productivity Commission, 2011). As a result, a culture of programs developed around organisational and system needs exists where individuals are expected to fit within the offered programs offered to them even if it is not entirely suited to their needs. The block funding model also eliminates the need for competition within the sector, thus reducing the need for organisations to create new ideas to differentiate themselves in the market.

As a result of the identified difficulties by the productivity commission, the inquiry requested an overhaul of the disability system that would transform the culture with an emphasis on the need for integrated services that increases the engagement of participants, provide increased choice, social inclusion and empowerment of individuals. A recommendation of the implementation of a National

Disability Insurance Scheme (NDIS) was provided to introduce a market based approach to increase choice and quality of services in order to address the deficits (Productivity Commission, 2011).

1.2 Changes in the disability sector

The NDIS has been slowly rolled out across the country with the aim of addressing these difficulties. Utilising the principles of insurance models, the NDIS aims to provide reasonable and necessary supports to participants to achieve their goals, increase independence, social and economic participation in the community (National Disability Insurance Scheme, 2017). Block funding will be replaced by individual funding packages aimed to provide increased choice and control to the participants over the supports and services they would like to access. Service providers will also require a dramatic shift in their approach to marketing and service provision, with an increased need to take on business practise principles in order to remain sustainable within an increasingly competitive market.

However, since the initial roll out, the NDIS has been fraught with difficulties, with increased cost pressures and advocacy groups pushing for an increase in NDIS pricing to align with the actual cost of services (National Disability Service, 2016). Although the NDIS will bring with it many advantages for participants, difficulties will continue to exist in the organisational culture and approach to service provision. Services remain heavily funded by the government, though this time indirectly through individualised funding packages. Organisations will continue their reliance on the government and may inadvertently continue the culture of service centred practise as they strive to comply with the regulations of the NDIS in order to maximise received funds. Consumers will continue to experience limitations as governed by what is eligible for funding in their individualised funding packages.

There is also a recognition that to transform the culture within the disability sector, the building up of knowledge (ideas, skills, innovation), social capital (networks between community, government and businesses) and materials (assets, revenue, infrastructure) will be required (PWC, 2011). However, this will be difficult within the current system, as organisations have existed and operated in fixed service models for a long time, making it extremely difficult for them to create and innovate transformative new approaches that look to sources outside government support (Kendrick et al, 2017). Therefore current processes and organisations will be unable to make the transformation that is called on by the introduction of the NDIS without a new injection of ideas and business models. Social business is a concept and a new business model approach that can bring about the organisational transformation that is necessary.

2. SOCIAL BUSINESS: AN INNOVATIVE ORGANISATION

The concept of social business has slowly gained traction since its initial conceptualisation. The main aim of a social business is to target the social determinants of health such as poverty alleviation, inequalities in access to health care and poor health through a self - sustaining business model (Yunus & Weber, 2007). Social businesses are not charities nor are they profit maximising businesses. Instead, they run using business processes but attempts to ensure no loss and no dividend and any accidentally generated profit is used to solve more social problems or reinvested into a new social business (Yunus et al, 2010). There are two types of social business: The first type is a company that provides products and services that targets a social issue. The second type is a company owned by the target market themselves (Yunus, 2010).

A social business is also not a low cost, low quality business, but maintains high quality products and services at affordable prices to their target population whilst still generating enough profit to sustain the business (Yunus et al, 2010). In order to achieve this, innovative ideas and community engagement is key. The social business approach has also been identified as an integrative approach that helps to identify the specific needs of their customers and provide support to increase empowerment thus reducing the vulnerability of the clients.

3. THEORIES OF ORGANISATIONAL CULTURE

The organisational culture of a system and workplace is multi-faceted comprising of everything learnt and shared by the team, consisting of expectations, values and assumptions (Fillary & Pernice, 2005). These influence the way that individuals within an organisation interact with each other, with their patients and people external to the organisation (Samant et al, 2009). Culture can often be an ambiguous term to define partly due to the great variation and interconnectedness of various factors. There are various theories and models developed over the decades attempting to define organisational culture. One popular framework was developed by Harrison (1972) and has been adapted and adjusted by researchers over the years. The 4 components within the framework consist of:

- Power culture – highly autocratic with executives exercising the most power over decisions and processes within the organisation. It is competitive and will fight for dominance over a market.
- Role culture – places importance in following formal rules and regulations, attempting to be as orderly and stable as possible.
- Achievement culture – task orientated with an emphasis on achieving a goal as the main focus with all processes, organisational systems and structures aimed at achieving the goal.
- Support culture – the aim of the organisation is to serve the needs of its members to meet their needs where it may not have been possible to do so themselves (Harrison, 1972).

From observation of the current organisations within the disability sector, it appears to lean towards a power and role culture as consumers need to conform to the organisation's rules and guidelines and the need of organisations to complete compliance measures. However, as already identified in the disability sector, the power and role cultures have difficulty providing flexibility and adapting to changes in their environment.

On the other hand, social business leans towards fostering a support and achievement culture where the main purpose is on achieving their goal through providing a flexible and person-orientated approach. Perhaps this inclusion of different culture types is what is required to provide a balance to ensure a more sustainable and effective disability system.

4. SOCIAL BUSINESS: REDEFINING ORGANISATIONAL CULTURE

Within the disability sector, having a shared vision and mission that is actively integrated into all aspects of work is a key influence of the organisational culture (Bigby & Beadle-Brown, 2016). There are several key inter-related values and concepts that help to define and develop the support and achievement culture within social business which is highly beneficial to the disability sector. These include reorienting the purpose of business, sustainable and innovative, engaging the community and empowerment. These values that define the culture are the same values that the Australian disability

sector hopes to achieve, making social business a suitable organisational model to implement to drive transformation in the organisational culture of the sector.

4.1 Reorienting the purpose of business

In a traditional model of business the main goal is the maximization of profit. Profit making businesses are vital to the prosperity of the economy in the world. The social business challenges the assumption that the goal of establishing a business is to make financial profit. It seeks to demonstrate that the development of social and economic value can be compatible and combined within the same business framework (Wilson & Post, 2013). A social business is driven by the purpose to create social value and economic value is interwoven into the design and creation of its ventures. This ensures that the desire for financial profit will not influence the services provided to consumers. The underlying concept of not for profit organisations are similar, except the approach taken is different.

In eliminating the need to make a profit, it will lower the cost of providing the service or resource to its customers without affecting the quality of the service. Within the disability sector, this will result in lowering the costs for services and products, making it more affordable to the target population. Social business seeks to take its place amongst the private and non-government organisations as a competitor thus boosting the market based approach in increasing competition and diversity in the types of organisations.

4.2 Sustainability & Innovation

A unique quality of social business is being ‘self-sustaining, self-propelling, self-perpetuating and self-expanding’, resulting in a decrease on the reliance of government funding, offering services that are sustainable and can be provided long term (Yunus & Weber, 2007). The ability to self-generate funds will also allow the social business to develop their own governance system thus affording the flexibility to provide more specialised services without constraint from forces outside the company. To achieve sustainability, the social business will need to think innovatively and understand the market they are operating within. There are again skills that social business can contribute to the disability sector in encouraging a market based approach.

4.3 Community engagement

Social businesses rely on community engagement in order to ensure sustainability of the business. Community engagement in forming decisions is seen as an essential part to social business and businesses strive to embed their organisations into the workings and culture of the community to ensure they are achieving the social goal. Social business relies on a consumer approach and utilises double loop learning (Yunus & Weber, 2007). The double loop learning approach encourages discussion between the stakeholders – i.e. the target population and their business to adapt and evolve their systems and processes to better suit the community. This builds mutual trust and ensures that difficulties or ineffective services are identified early (Goyal & Sergi, 2015). Double loop learning also encourages changing the values and norms underlying behaviour which will result in organisational culture that is different to that of organisations applying single loop learning

4.4 Empowerment

Empowerment is particularly shown within the second type of social business, which is an organisation owned and operated by the consumers themselves. This structure speaks to an organisational culture where the customers are valued and seen as individuals with skills to contribute within society. Part of the goal for a social business is also to inspire behaviour change in their consumers at the same time ensuring that their approach is not patronizing (Yunus et al, 2015). They do this through capacity building in the form of training and providing education, providing on the job training or through other innovative ways as decided by the different organisations. This approach aligns with person centred practice and empowerment that the disability sector strives to achieve for those living with disabilities. Empowerment also occurs for the employees as this business model provides increased motivation and meaning for staff as they are engaged in the process of enabling others (Yunus et al, 2015).

5. CONCLUSION

The organisational culture within the disability sector is in need of a dramatic shift from a system influenced by the 'power' and 'role' culture orientations to one of 'achievement' and 'support'. Alongside the current organisations and introduction of the NDIS system, social business organisations or the incorporation of its values can help stimulate the transformation required. It is based on the values of reorientation of an organisation to a market based approach, sustainability, innovation, community engagement and empowerment that the NDIS system is attempting to foster within the disability sector. Of course, the social business model may raise new challenges, such as how to define guidelines for a specific target group or generate enough profit to remain sustainable. However, this is all part of the innovative value that social business brings. The social business model also cannot exist as the sole business type within the disability sector, but in combination with the existing service models. It will provide new competition and uniqueness to the disability sector, which perhaps is the additional ingredient required to ensuring a more sustainable and effective system.

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