

DOING GOOD IN SINGAPORE

PART 2 —

RESOURCING FOR THE FUTURE

Edited by
Isabel Sim, Alfred Loh and Teo Chee Khiang

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TABLE OF CONTENTS

Forewords	i
Preface	xvi
Chapter 1: Transforming Singapore's Social Service Sector	1
1. Significance of Trends on Social Service Organisations	
2. How is the Social Service Sector Transforming?	
3. Knowledge Management	
4. Resource Management	
5. Collaboration	
6. Strengthening the Social Service Ecosystem	
7. Conclusion	
8. References	
Chapter 2: Leadership, Roles and Responsibilities of Social Service Organisations' Board	21
1. Evolution of Voluntary Welfare Organisations into Social Service Organisations	
2. The Nature and Function of Social Service Organisations	
3. The Importance of Leadership in Social Service Organisations	
4. Characteristics of Effective Shared Leadership	
5. The Chief Executive Officer (CEO) or The Executive Director	
6. Clarity of Roles between the Chair and the CEO	
7. The Symbiotic Relation Between Chair and CEO	
8. The Matching Process	
9. The Role of Board Members	
10. Confusion of Roles	
11. Conclusion	
12. References	

1. Introduction
2. Challenges in Volunteer Management and Participation
 - 2.1 Promoting Volunteer Participation
 - 2.2 Effects of Ageing Population on Volunteerism
 - 2.3 Difficulties in Attracting Young Volunteers
 - 2.4 Social Service Organisations' Outsourcing of Community Services—Its Effects on Volunteerism
 - 2.5 Board Renewal
3. Enhancing Volunteer Management and Participation
 - 3.1 Promoting Corporate and Skill Based Volunteerism
 - 3.2 Tertiary Student Volunteer Management Centre
 - 3.3 Promoting Collective Fundraising Efforts in Volunteerism
 - 3.4 Rejuvenating Boards
4. Future of Volunteerism
 - 4.1 Enhancing Self-Help and Community Ownership
 - 4.2 Reaching Out to Lower-Income Residents and Minorities
 - 4.3 Renewing and Rejuvenating Ageing Neighbourhoods
 - 4.4 Early Intervention Programmes
5. Conclusion
6. References

Chapter 4: Managing Charities' Financial Resources

68

1. Introduction
2. Roles and Responsibilities of the Board
 - 2.1 Code of Governance for Charities and Institutions of a Public Character
 - 2.2 Developing a Financial Management System
3. Accountability, Disclosure and Transparency
 - 3.1 Presenting a Charity's Accounts and Annual Report to Stakeholders
 - 3.2 Fund Accounting
 - 3.3 Conflict of Interest Policies
 - 3.4 Performance Measurement
4. Ensuring a Charity's Sustainability
 - 4.1 Cash Flow Management
 - 4.2 Reserves Management
 - 4.3 Investment Management
 - 4.4 Risk Management
5. Conclusion
6. References

Chapter 5: Fundraising and Philanthropy in Singapore—Changing Landscape and Future Direction

93

1. Overview
2. Changing Fundraising and Philanthropy Landscape
 - 2.1 Charity Governance
 - 2.2 Changing Donors' Behaviour
3. Online Fundraising
 - 3.1 Rising Trend of Online Fundraising
 - 3.2 Online Fundraising—Risks and Regulations
4. Fundraising and Philanthropy in Singapore—Future Direction
 - 4.1 Use of Technology for Fundraising and Philanthropy—Pros and Cons
 - 4.2 Social Service Organisations' Partnerships with Businesses
 - 4.3 Social Service Organisation Leadership
5. Conclusion
6. References

Chapter 6: Developing High-Impact Social Service Organisations	117
1. Doing Good Well	
2. Performance Measurement	
2.1 Benefits of Performance Measurement	
2.2 Learning and Improving with Measurement: A Four-Part Lifecycle	
3. Social Impact Measurement	
3.1 Defining Social Impact	
3.2 Why Should Social Service Organisations Measure Social Impact?	
3.3 Measurement of Social Impact	
4. Practices of High-Impact Social Service Organisations	
4.1 Master the Art of Adaptation	
4.2 Make Markets Work	
4.3 Nurture Nonprofit Networks	
4.4 Inspire Evangelists	
4.5 Share Leadership	
4.6 Serve and Advocate	
5. Social Innovation in Singapore	
6. Conclusion	
7. References	
Chapter 7: Quo Vadis—Where Do We Go from Here?	145
1. Introduction	
2. A New Social Compact	
3. Professionalising the Social Service Sector	
4. Collaborative Innovation	
5. Reimagining the Social Service Sector	
6. References	
About the Editors	163
About the Contributors	164
Acknowledgements	166

LIST OF BOX STORIES

Chapter 1: Transforming Singapore's Social Service Sector

Box Story 1	Overview of the Social Service Sector Strategic Thrusts	2
Box Story 2	Quality of Life (QOL) Studies	5
Box Story 3	Knowledge Management in the Sector	8
Box Story 4	Resource Management in the Sector	10
Box Story 5	Collaboration in the Sector	12
Box Story 6	Role of the Commissioner of Charities	14

Chapter 2: Leadership, Roles and Responsibilities of Social Service Organisations' Board

Box Story 7	Interview with Ms Anita Fam, President of National Council of Social Service (NCSS)	23
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Chapter 3: Developing Volunteers for the Social Service Sector

Box Story 8	Zeles	46
Box Story 9	RSVP Singapore The Organisation of Senior Volunteers	48
Box Story 10	Movement for the Intellectually Disabled of Singapore (MINDS)	55
Box Story 11	Interview with Lions Befrienders (LB)	61

Chapter 4: Managing Charities' Financial Resources

Box Story 12	Kids Company	79
Box Story 13	Young Men's Christian Association (YMCA)	83

Chapter 5: Fundraising and Philanthropy in Singapore—Changing Landscape and Future Direction

Box Story 14	Interview with Mr Phillip Tan, Chairman of Community Chest (ComChest)	96
Box Story 15	Interview with Ms Melissa Kwee, CEO of National Volunteer & Philanthropy Centre (NVPC)	101
Box Story 16	Interview with Mr Keith Chua, Chairman of Advisory Board of Asia Centre for Social Entrepreneurship and Philanthropy (ACSEP)	106
Box Story 17	Promoting Philanthropy in Singapore—Community Foundation of Singapore (CFS)	110

Chapter 6: Developing High-Impact Social Service Organisations

Box Story 18	Goldman Sachs' 10,000 Women	120
Box Story 19	One Acre Fund	122
Box Story 20	Jumpstart	124
Box Story 21	Lien Centre for Social Innovation	134
Box Story 22	Social Innovation through Collaboration—CHART	137

Chapter 7: Quo Vadis—Where Do We Go from Here?

Box Story 23	How Singapore's Social Policies Have Shifted	146
Box Story 24	Professionalising the Sector—Interview with Dr Gerard Ee and Ms Anita Fam	150
Box Story 25	Social Innovation and Digitalisation in the Sector—Interview with Dr Gerard Ee and Ms Anita Fam	154
Box Story 26	Case Study of Canossa Convent Primary School—Interview with Dr Gerard Ee	158

LIST OF FIGURES

Figure 1: Guidelines for Reserves Management	81
Figure 2: Components of the ERM Framework	89
Figure 3: Performance Measurement Lifecycle	126
Figure 4: Impact Measurement	128

LIST OF TABLES

Table 1: Principles for Good Charity Governance	71
Table 2: Charity Navigator Ratings	77

ABOUT

Centre for Social Development Asia (CSDA)

The Centre for Social Development Asia (CSDA) was launched in July 2007 by then Minister for Finance Mr Tharman Shanmugaratnam. It is under the purview of the Department of Social Work, Faculty of Arts and Social Sciences, National University of Singapore. The Centre was established in collaboration with the Centre for Social Development, George Warren Brown School of Social Work, Washington University in St. Louis. The primary mission of CSDA is applied research and knowledge building to inform policies and programmes in social development, with a focus on Asia.

For more information about CSDA, please visit: http://www.fas.nus.edu.sg/swk/partners_and_donors/research_partner/overview

For more information on the Department of Social Work, please visit: <http://www.fas.nus.edu.sg/swk/>

FOREWORD

Centre for Social Development Asia (CSDA)



Dr S. Vasoo

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Organisational capacity and capability are very critical as they are key to helping social service organisations adapt to the future and serve the community. The Centre for Social Development Asia (CSDA) is indeed appreciative of the support by Chartered Institute of Management Accountants (CIMA) for sponsoring a grant to publish the books, titled *Doing Good in Singapore: Part 1 – Adapting to the Future* and *Part 2 – Resourcing for the Future*.

The books serve as a guide for social service organisations to widen their knowledge on how to adapt to changes in the social service sector and continue to serve the community in Singapore.

We are grateful to the authors, panellists, academic staff, peer-reviewers, charities, and interns who worked tirelessly to make this valuable publication possible.

ABOUT

Chartered Institute of Management Accountants (CIMA)

The Chartered Institute of Management Accountants (CIMA), founded in 1919, is the world's leading and largest professional body of management accountants, with over 232,000 members and students operating in 177 countries, working at the heart of business. CIMA members and students work in industry, commerce, the public sector, and not-for-profit organisations. CIMA works closely with employers and sponsors leading-edge research, constantly updating its qualifications, professional experience requirements, and continuing professional development to ensure it remains the employers' choice when recruiting financially-trained business leaders.

Together with the American Institute of CPAs (AICPA), CIMA has established the Chartered Global Management Accountant (CGMA) designation. CGMA is the global quality standard that further elevates the profession of management accounting.

The AICPA and CIMA also make up the Association of International Certified Professional Accountants (the Association), which represents public and management accounting globally, advocating on behalf of the public's interest and advancing the quality, competency, and employability of CPAs, CGMAs, and other accounting and finance professionals worldwide.

FOREWORD

Chartered Institute of Management Accountants (CIMA)



Dr Noel Tagoe

FCMA, CGMA
Executive Vice President, Academics
Chartered Institute of Management Accountants

The future of the social service sector is undoubtedly being impacted by the current disruption and rapid changes going on around us caused mainly by technological innovation. This sector must indeed take steps to be future-ready in adopting digital technology and navigating generational shifts in the way funds are donated.

We are seeing various types of social enterprises making their presence felt and new business models for charities are being developed. Ensuring a sustainable social service sector is therefore crucial, supported by good governance, ethical, and accountable leadership.

The CIMA Centre of Excellence would like to commend CSDA for its philanthropic approach to help charities be on the path of sustainable development. We applaud CSDA for this timely publication to build a stronger charity sector in Singapore.

ABOUT

Charity Council

The Charity Council aims to promote and encourage the adoption of good governance standards and best practices, to help enhance public confidence and promote self-regulation in the charity sector. It also helps to build governance capabilities of charities to enable them to comply with regulatory requirements and be more accountable.

The Council comprises 15 members, including the Chairman. 10 members are from the people sector, chosen for their expertise in accountancy, corporate governance, entrepreneurship, and law. They are also involved in volunteer and charity work in varied fields such as arts and heritage, community, education, health, and social services.

FOREWORD

Charity Council



Dr Gerard Ee

FCA (Singapore)
Chairman
Charity Council

Faced with ever-evolving social and technological trends, it is important for charities to build up their capabilities to manage the new challenges, as well as seize the opportunities lying ahead. To continue to serve the beneficiaries efficiently and effectively, charities need to adopt a progressive mindset and be adaptable to our changing environment.

This book is a compilation of valuable insights and perspectives of our thought leaders. Tap on this book to build up your knowledge on the charity sector and to be more aware of the shifting trends.

Thank you to our authors and charities who have contributed their wealth of knowledge and invested precious time for the production of this book. We can only make a positive difference to the community when our charities are well-prepared for the future landscape.

ABOUT

Commissioner of Charities

The Commissioner of Charities oversees the charities and Institutions of a Public Character (IPCs) in the charity sector, with the assistance of 5 Sector Administrators from the Ministry of Social and Family Development, Ministry of Education, Ministry of Health, People's Association, and Sport Singapore. Its vision is to develop a well-governed and thriving charity sector with strong public support.

The objectives of the Commissioner as stated in the Charities Act are:

- to maintain public trust and confidence in charities;
- to promote a compliance by governing board members and key officers with their legal obligations in exercising control and management of the administration of their charities;
- to promote the effective use of charitable resources; and
- to enhance the accountability of charities to donors, beneficiaries, and the general public.

FOREWORD

Commissioner of Charities



Dr Ang Hak Seng

Commissioner of Charities

Ministry of Culture, Community and Youth

Charities play a critical role in society — meeting the needs of communities, impacting the lives of Singaporeans, and ensuring that no one gets left behind. And in order to do good even better, charities must be forward-looking, have the willingness and risk appetite to adapt and grow with the ever-changing social and technological environment.

This book draws valuable insights from the leaders in the charity sector. Thank you to the authors and contributors for sharing your knowledge and insights to assist charities. This is an inspiring trait that underpins the very essence of what the charity sector stands for – the willingness to support and help others. It is my hope that all charities will find this book useful in broadening your perspectives.

There is still much more to be done. We will work hand in hand with all charities to strengthen your governance and capabilities so that the sector can thrive for many more years to come. Your efforts, passion, and hard work continue to strengthen the fabric of our nation, and help foster a trusted and safe giving environment, where everyone can give confidently and do their part in building our caring society.

ABOUT

CFA Society Singapore

Established in September 1987, CFA Society Singapore (formerly known as the Singapore Society of Financial Analysts – SSFA) is a professional society that brings together practitioners in the investment and fund management industry in Singapore. Its principal objective is to promote and uphold professional standards and ethical practice in financial analysis and investment management in Singapore.

CFA Society Singapore is the 7th largest member society of CFA Institute, with more than 3,600 members.

CFA Society Singapore runs a whole host of programmes for members, CFA candidates and also the investment community, including professional development talks and seminars, networking sessions, CFA information sessions, examination review classes, and career development talks.

FOREWORD

CFA Society Singapore



Mr Simon Ng
Deputy President
CFA Society Singapore

Reserves play an important role in the financial stability and long-term sustainability of a charity. Managing reserves is an important aspect of the overall financial management of a charity – a crucial element of good charity governance. In line with good governance and proper risk management, a charity’s responsible persons i.e. its board, committee, or governing body should consider an appropriate level of reserves for its circumstances, as well as a strategy for building or spending its reserves in a way that is consistent with its purpose.

CFA Society Singapore is Singapore’s chapter of the CFA Institute. We are an association of investment professionals that sets standards of professional excellence and credentials; we champion ethical behaviour and professional conduct in the financial markets, and are a well-respected source of knowledge in the global financial community. Our objective is to create an environment where investors’ interests are placed first, markets operate at their optimal, which ultimately translates to growth of economies.

CFA Society Singapore is humbled and honoured to be invited by CSDA to contribute towards Doing Good in Singapore: Part 1 – Adapting to the Future and Part 2 – Resourcing for the Future. I am proud to have the opportunity to work with CSDA and contribute to the writing of the chapter on Managing Charities’ Financial Resources.

ABOUT

National Council of Social Service (NCSS)

The National Council of Social Service (NCSS) is the umbrella body for over 450-member social service organisations in Singapore. Its mission is to provide leadership and direction in enhancing the capabilities and capacity of our members, advocating for social service needs, and strengthening strategic partnerships for an effective social service ecosystem. Community Chest and Social Service Institute (SSI) are part of NCSS.

For more information, please visit: www.ncss.gov.sg.

FOREWORD

National Council of Social Service (NCSS)



Ms Anita Fam

JP, BBM, PBM
President
National Council of Social Service

Social needs are becoming more complex in a rapidly changing socio-economic environment. With growing needs and limited resources, we cannot rely on yesterday's solutions to solve tomorrow's problems.

The sector has to adapt and develop more efficient and effective ways to address social needs. This requires us to move beyond current models of operating and explore new approaches to empower individuals and their communities, so that they may live with dignity and achieve their fullest potential. At the same time, social service organisations must continue to invest in and prioritise strengthening their organisational capabilities, so that collectively, they can deliver greater and sustained impact on the lives they serve.

I would like to commend the team on launching this meaningful initiative. This book is a wonderful collection of insights on issues that are most relevant and pertinent to any social service organisation's development journey. I hope that you will be enriched by the perspectives shared in this book, and that they will be useful in guiding you in meeting the challenges ahead.

DOING GOOD IN SINGAPORE

PART 2 —

RESOURCING FOR THE FUTURE

“

**We don't know about tomorrow,
but we know what we want
tomorrow to be like.**

Dr Gerard Ee
Chairman, Charity Council

”

PREFACE

Singapore's social service sector faces a future that looks nothing like the past. It has to deal with mounting challenges in social needs that are growing and changing, arising from a rapidly ageing population, changing family structures and other factors.

While the government has been boosting social spending and welfare provisions to strengthen the safety nets and stepping up social programmes, this has to be accompanied by financial prudence so that future generations of Singaporeans are not saddled with financial burden.

The first book *Doing Good in Singapore: Part 1 — Adapting to the Future*, explores the ways in which the social service sector can adapt to the future in order to serve growing needs. The second book, *Doing Good in Singapore: Part 2 — Resourcing for the Future*, extends the discussion by focusing on specific ways in which social service organisations (SSOrgs) can develop organisational competencies, build capacity and capability to tackle the rising social challenges, as well as deliver high social impact.

This book 'Doing Good in Singapore: Part 2 — Resourcing for the Future' engages thought leaders for their views and insights on how the sector can better position itself in light of the changing social landscape. Before delving into the various aspects of organisational transformation, **Chapter 1: Transforming Singapore's Social Service Sector** opens the discussion on the current direction of sectoral transformation to enhance resource management.

Chapter 2: Leadership, Roles and Responsibilities of Social Service Organisations' Board highlights the importance of leadership. It examines the characteristics of effective shared leadership and discusses the importance of clarifying the relationship and roles between CEOs and boards.

Chapter 3: Developing Volunteers for the Social Service Sector addresses current issues faced by the social service sector in resourcing volunteers and explores ways to improve volunteer management and participation.

SSOrgs have a moral obligation to be good stewards of the resources entrusted to them. Therefore, **Chapter 4: Managing Charities' Financial Resources** highlights the importance for SSOrgs to understand the responsibility to manage and invest their reserves prudently, not only to achieve current mission goals but also to preserve and permanently enhance the financial resources available in the future.

Chapter 5: Fundraising and Philanthropy in Singapore—Changing Landscape and Future Direction examines trends in fundraising by highlighting changing motivations in donors, opportunities created by technology, and the role of leadership in SSOrgs to keep up with the times.

In an environment of increasing competition for funding, SSOrgs are under pressure to up their ability in order to deliver on their mission. Hence, it is important for them to measure their performance and track their progress toward achieving their mission. **Chapter 6: Developing High-Impact Social Service Organisations** highlights the importance of understanding and measuring social impact, and looks at ways in which SSOrgs could become high impact organisations.

The concluding chapter, **Chapter 7: Quo Vadis—Where Do We Go From Here?** reimagines the role of the social service sector as we work towards fostering a new social compact.

Isabel Sim, Alfred Loh and Teo Chee Khiang

April 2019

Chapter 1

Transforming Singapore's Social Service Sector

by Isabel Sim^a, Alfred Loh^b and Teo Chee Khiang^c

This chapter examines the transformations in Singapore's social service sector, necessitated by changing social needs. Utilising the Social Service Sector Strategic Thrusts (4ST) and Quality of Life (QOL) framework, the social service sector should aim to better understand the needs of individuals and empower them. This chapter urges social service providers to refine their service delivery through knowledge management, resource management, and collaboration within the sector. Finally, the social service ecosystem can be strengthened through a well-governed charity sector.

1. Significance of Trends on Social Service Organisations

The needs of our society are evolving and becoming more complex (Seow, 2018). Doing Good in Singapore: Part 1 – Adapting to the Future discussed the increasing financial, emotional, and mental stress that individuals and families in Singapore face as they grapple with the collective effects of the ageing population, changing family profiles, and disruptions to the economy.

The present situation has been poignantly described as a social recession (Abdul Khamid, 2017). To address this, social service organisations (SSOrgs) must consider ways to enhance organisational capabilities and deepen competencies, to better serve the needs of the various groups (Chia, 2014). The solutions that SSOrgs provide will have to be multi-faceted rather than uni-dimensional, holistic rather than fragmented. SSOrgs should work towards becoming high-impact nonprofit organisations.

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2. How is the Social Service Sector Transforming?

For needs to be met more effectively, SSOrgs should have a shared vision for the sector's future. The 4ST, drawn out by NCSS, charts out the sector's broad direction for the next few years. It highlighted the need for SSOrgs to develop organisational capabilities and capacities, among other focal points.

Box Story 1

Overview of the Social Service Sector Strategic Thrusts

This box story is prepared by CSDA. It outlines the key points in the 4ST.

Published in 2017 by NCSS, the 4ST is a five-year (2017 to 2021) roadmap for the social service sector. Building on the 1998's Social Service 21 Vision, the 4ST envisages a community-based social service system that aims to improve governance, encourage volunteerism, and increase professionalism in the social service sector.

Extensive consultations with stakeholders were conducted to identify three key challenges faced by the sector. The roadmap also documented three key thrusts representing the sector's shared aspirations and the pathways to fulfil them.

Challenges

Changing Needs

Singapore's social landscape has been changing, with an ageing population, increasing diversity, and higher level of education. All these societal changes present new challenges to the social service sector, insofar as an individual's needs will have to be dealt with holistically.

Sustainability of the Social Service System

The social service system in Singapore, founded on a Many Helping Hands approach, should continue to emphasise partnership between stakeholders across backgrounds. A coordinated effort of innovative measures is essential to sustain a thriving social service ecosystem.

Developing Highly Capable and Purposeful Social Service Organisations

SSOrgs will need to seek sustainable ways of funding, optimise human capital, and improve organisational capability. In terms of service delivery, SSOrgs should aim to address the needs of service users in a person-centred and holistic way, to empower individuals to help themselves.

Key Thrusts

Empowered Individuals, Their Families and Communities

Individuals, their families, and communities should have ownership over their own issues and possess leadership to develop solutions. The goal is to see people become more self-reliant: able to independently access resources, self-advocate, and decide on the services that they receive.

One example is the South Central Community Family Service Centre, which encourages members of the community to help meet one another by nurturing a spirit of camaraderie within the community. The Family Service Centre has created:

- i. a common space for community members to interact;
- ii. an 'offers and requests' board where members can notify one another on specific items that they need or can donate; and
- iii. a goodwill exchange store where pre-loved items can be donated to other members.

This approach places power and ownership of solutions firmly within the community.

Effective Social Purpose Entities that Deliver Quality, Innovative and Sustainable Solutions

Social purpose entities should focus on their organisational health and improve the experience of service users.

First, solutions should be innovative and sustainable. The needs of service users and the proposed solutions should also be assessed pre-implementation, to ensure that the service to be provided would positively

and holistically impact the lives of service users. To achieve this, SSORgs need to attract and retain skilled and enterprising professionals—one of the crucial elements in developing capacity and capability for the organisation.

The Hour Glass Kitchen Programme at the Pacific Activity Centre is a good example of an SSORg with an innovative solution. The programme provides a platform for seniors to interact and build networks while learning, cooking, and eating together at the centre’s kitchenettes. This innovative, multi-stakeholder effort has brought together seniors, volunteers, centre staff, and student interns, facilitating the creation of more connections between community members.

A Caring, Collaborative and Impactful Social Service Ecosystem

Collaborative efforts across the People, Public, and Private sectors must be strengthened so that solutions can have greater impact. This will provide future social service delivery with sufficient support, improving the service user experience as a result.

MINDSET Care Limited, or MINDSET, an initiative by the Jardine Matheson Group, emphasises such cross-sector collaboration in tackling stigma against mental health issues. The scheme aims to promote acceptance of persons with mental illnesses (PMIs) into the community, by sourcing for work opportunities within the Jardine Matheson group of companies. The initiative collaborates with other SSORgs to assist clients with mental illnesses—helping them generate a source of income, organising outings and activities for them, as well as raising and allocating funds to them.

The 4ST adopts a person-centric and holistic approach towards the meeting of individuals’ various needs (National Council of Social Service, 2017a). It promotes a concise and compelling vision for the future of the social service sector where every person empowered can live with dignity in a caring and inclusive society. At the heart of this approach is solutions that work towards cohesively addressing seemingly unrelated needs that an individual might have, improving quality of life as a result.

To better understand the needs of individuals, three QOL studies that follow the World Health Organisation (WHO)’s QOL framework were conducted. The findings for the survey are presented in the next box story.

Box Story 2

Quality of Life (QOL) Studies

This box story is prepared by CSDA. It provides an overview of the findings from a study by NCSS across three vulnerable groups — seniors, adults with disabilities, and adults with mental health issues.

WHO defines quality of life as the perceptions that individuals have towards their position in life in the context of the culture and value systems in which they live and in relation to their goals, expectations, standards, and concerns.

Across the studies for all three groups, areas for improvement include:

- i. social support and inclusion;
- ii. availability and access to opportunities and resources; and
- iii. physical and mental well-being to achieve personal potential.

For Seniors

Seniors should have a say in how their needs are met. This may be achieved by enhancing their ability to choose the services they receive, encouraging independence and self-reliance, and adopting a holistic approach to understanding their needs (National Council of Social Service, 2017d).

In addition, stakeholders in society need to create a supportive framework for seniors. This can be done by strengthening and improving access to mental health and disability support systems. Access to sports and recreational activities should be improved, and senior volunteerism and senior-friendly workplaces encouraged (National Council of Social Service, 2017d). A contemporary example of an age-friendly workplace is the Korean start-up EverYoung, which hires employees over the age of 55. It has age-friendly work shifts and provides easy access to healthcare amenities for seniors.

Finally, it is crucial to look after the emotional well-being of seniors so as to help them deal with the inevitable sense of loss that comes with old age (National Council of Social Service, 2017d).

For Persons with Disabilities (PWDs)

Improving the quality of life for PWDs goes beyond merely eliminating discrimination. PWDs must be able to interact and participate actively and meaningfully in society. This can be achieved through greater access to social networks. PWDs also should be empowered through availability of and access to opportunities. For instance, Skillnet Group in the UK introduced a project known as Discovery Catering, which teaches people with and without disabilities how to cook vegan food for sale. Additionally, infrastructural improvements should be made to accommodate PWDs in public spaces (National Council of Social Service, 2017b).

For People with Mental Health Issues (PMIs)

Changing public attitudes towards mental health issues is the way forward to bring about social inclusion for PMIs. Support for the recovery and re-integration of PMIs can be done by helping them achieve sustainable and meaningful employment (National Council of Social Service, 2017c). As an example, the Électricité de France's Employee Support Programme in France had its occupational health department partner with a team of specialist psychologists and therapists in the UK to develop mental health solutions for employees. This promotes understanding and effective interaction.

Volunteer opportunities for PMIs and the improvement of transition support for PMIs returning to the community are other viable methods to improve quality of life. Sports and recreational activities are positive ways to encourage PMIs to stay healthy and look after their own well-being¹. (National Council of Social Service, 2017c).

¹ Get Set to Go, a London-based Charity, matches people with suitable sports to improve their well-being.

The studies demonstrate that improving the social inclusion and levels of independence of vulnerable individuals significantly improves their quality of life (Choo, 2017b). Service delivery should be a two-way process rather than a top-down approach, as it is more effective when vulnerable groups have more say and ownership in the type of services that they receive (Choo, 2017a).

The QOL studies and the 4ST illustrate the importance of rethinking the way service is perceived. For social service providers, a paradigm shift has to occur: from focusing mainly on meeting basic financial needs to promoting the overall empowerment and autonomy of individuals within the community.

With this in mind, organisations should regularly review and refine their service models while keeping in mind each organisation's unique mission. The effectiveness of an organisation's service model is determined by the quality of experience of its service users (National Council of Social Service, 2017a).

One way in which leaders of SSOrgs can envision organisational refinements is along the axes of resource management. Over the course of this book, the different aspects of resource management will be discussed. The remaining sections in this chapter introduce several of such tools and concepts—knowledge management, resource management, and intra- and inter-sectoral collaboration.

3. Knowledge Management

Box Story 3 Knowledge Management in the Sector

This box story is prepared by NCSS. It focuses on how SSOrgs can achieve their organisational objectives by adopting better knowledge management practices; that is, the efficient handling of information and resources within a social service organisation (Girard & Girard, 2015).

To remain relevant, SSOrgs must be responsive to the changing preferences of its funders and service users. Good data management can provide rich insights for the organisations to formulate their strategies and make decisions. Data management and organisational infrastructure must go hand-in-hand to build and strengthen the social service ecosystem. In this regard, leaders of SSOrgs should steer their organisations towards two aspects of knowledge management — utilising data and organisational planning.

Utilising Data

Leaders of SSOrgs should tap on both internal and external sources of data. A majority of the social service organisations already possess internal data collection platforms as part of their accountability reporting to funders. External sources relevant to the sector include the annual reports released by the Department of Statistics, annual speeches by the Committee of Supply, and findings from commissioned studies such as the QOL studies conducted by NCSS.

The data collected should be applied to the organisation's mission and service models. Leaders can begin by asking these questions:

- i. What trends are my dataset (e.g. output indicators) signalling to my organisation?
- ii. What are some anomalies observed, and why?
- iii. How do these trends compare to national trends?
- iv. How can my organisation use our existing data sets to review the service models, and other decisions on service delivery?

Organisational Planning

To ensure that data collection, interpretation, and application are effective, leaders should ensure that the organisation possesses the appropriate organisational infrastructure. This infrastructure refers to the system of collecting and storing data. This is especially relevant for medium and large SSOrgs serving a wide range of population groups.

Leaders need to ensure that the information shared by service users remain stored and accessible, regardless of changes in manpower. In addition, information on the services extended to users, and the effectiveness of the interventions, is equally important, so that varying professionals working with the same service user can build on each other's efforts to increase the success of collective interventions.

Another critical aspect of resource management lies in the proficient management of funds. The next box story features the funding schemes which NCSS and the government provide for SSOrgs to meet the funding challenges faced by the sector.

4. Resource Management

Box Story 4 Resource Management in the Sector

This box story is prepared by NCSS. It features funding opportunities for SSORgs in Singapore to tap on. While these schemes meet the funding gaps for services that are not covered under traditional funding agreements, it is important for SSORgs to be resourceful and creative in building alternative funding sources.

Challenges Faced by the Sector

The social service sector is affected by evolving changes brought about by the VUCA environment. VUCA is an acronym which stands for Volatility, Uncertainty, Complexity, and Ambiguity. The VUCA environment puts pressure on the social service sector as it is unable to predict future needs with certainty. Although there is progression in the social service sector, it is not responding fast enough to the VUCA environment. This may affect the operations and service delivery of the social service sector.

An example would be the funding model. Today, funders are becoming more specific with their preferences, sustainability, and returns of their giving. Charities are affected by this shift in the funding landscape. It will bring about changes to the traditional funding computation and reporting for funding.

Often, the dominant narrative in the sector revolves around the lack of funding. However, the reality is that lack of funding is not unique to just the social service sector. In fact, everyone can always do with more resources. Instead, there is a need to question what can be done in spite of the lack of funding. Here, resourcefulness, with a touch of creativity and innovation, comes into place.

Community Silver Trust for the Intermediate and Long-term Care services

Community Silver Trust (CST) is a scheme where the government provides dollar-to-dollar matching for donations made to eligible SSOrgs. The government acknowledges the need for greater resourcing and the balancing of co-ownership of fundraising between the government and organisations. Thus, the CST was launched in response to benefit organisations providing intermediate and long-term care support. Eligible SSOrgs will receive dollar-to-dollar matching for donations received, up to a cap of S\$15 million annually.

These additional funds could be used to address needs which are not covered under traditional funding agreements. They include new programmes, enhancement or expansion of existing services, and expansion in capacity. In the meantime, a variety of funding instruments beyond the traditional grants should be explored.

Crowdfunding

In recent years, crowdfunding has become an alternative funding stream, which allows donors to bypass charities and give directly to service users. Locally, there are two crowdsourcing platforms that have seen significant growth in funds raised over the years, Giving.sg and Ray of Hope initiative. As crowdfunding occurrences are set to increase, how can leaders strategise outreach and engagement efforts to attract donor funds?

It is imperative for the sector to be resourceful and innovative to raise funds.

5. Collaboration

To overcome funding and resource constraints, NCSS has also encouraged stronger collaboration between various stakeholders in the sector ecosystem. In the next box story, NCSS highlights key examples that offer suggestions on how SSOrgs can approach collaboration with different target groups.

Box Story 5 Collaboration in the Sector

This box story is prepared by NCSS. It provides examples on how the SSOrg can foster effective collaboration between the various stakeholders. These examples showcase how working with parties external to the organisation can enrich service delivery while remaining compatible to the organisation's mission, vision, and modes of operation.

Collaboration with Informal Groups

Collaborations with informal groups include both one-off engagements such as school projects, or ongoing efforts within the neighbourhood.

SUN-DAC is an example of collaboration with informal groups within the community. It rallied support from the community in the Choa Chu Kang area, to care for people with intellectual disability. Subsequently, it expanded its services into a day activity centre (Toh, 2017).

Another example is Campus PSY, a ground-up social movement that aims to promote mental health awareness and support to youths in tertiary institutions. A key project embarked by their volunteers was the set-up of an educative escape room: Jessica – Have You Met Her?

Collaboration with Social Enterprises

Often, social service organisations and social enterprises with the same target group serve the same needs and have similar missions. A social enterprise differs only where service is offered on a chargeable, pay-as-you-use model.

An example is Jaga-Me, an on-demand platform that provides caregiving services at short notice, similar to private hire transport company, Grab. Jaga-Me's success is impressive as it has done so in spite of the severe shortage of local healthcare professionals.

Jaga-Me managed to work around this issue by turning its clients, which are the caregivers, into their professional asset pool. Known as care aides, these clients are usually former caregivers who had to give up personal careers to care for their loved ones and subsequently face the challenge of re-entering the workforce after their care recipients have passed on.

Collaboration with Service Users

This type of collaboration repositions service users from recipients to assets who are part of the solution.

Adopting a person-centred and collaborative approach, the South Central Community Family Service Centre redesigned its space and programmes that tackle issues faced by low-income families. Anchored on the principles of the Asset-Based Community Development (ABCD) model, South Central Community Family board and management teams have made deliberate efforts to involve the community in the daily operations and activities of the centre beyond its service provision. These activities include setting up a communal area where residents, service users, and staff gather and interact over food provided by anyone on a goodwill basis.

A thrift shop was also set up to facilitate the donation and adoption of needed products among residents. Service users man the shop and facilitate day-to-day interactions with people who pop by the shop. As the model developed, the centre offered employment opportunities to suitable individuals who strengthen the organisation's community engagement work.

6. Strengthening the Social Service Ecosystem

The vision of the Commissioner of Charities (COC) is to nurture a well-governed charity sector with strong public trust and confidence. Besides putting in place a strong framework of laws and regulations, the COC sees the charity community and stakeholders as having the responsibility to do their part too, in terms of co-regulation of the sector.

Co-regulation becomes crucially important as the sector expands and transforms to involve an increasingly diverse set of stakeholders.

Box Story 6 Role of the Commissioner of Charities

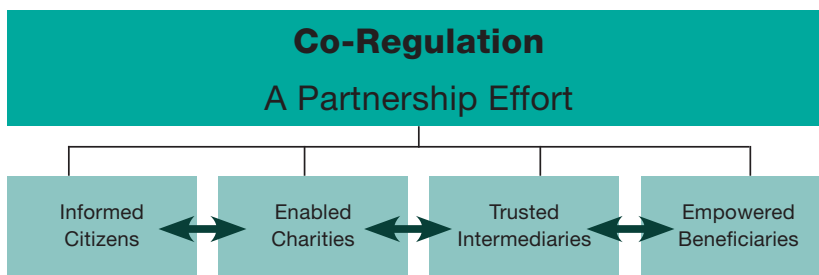
This box story is provided by Dr Ang Hak Seng, the Commissioner of Charities (COC). The box story shows the role of co-regulation in promoting collaboration between different stakeholders and the growth of volunteerism within the sector.

Commissioner of Charities as the Regulator

Under the Charities Act, the COC oversees the registration and regulation of charities and Institutions of a Public Character (IPCs), as well as the conduct of fund-raising activities. The COC adopts a risk-based approach to ensure compliance by charities and conducts regular reviews of charity legislations to ensure their relevance.

The long-term vision of the COC is a charity sector that embraces self-regulation. This would require co-regulation as an intermediary step, which is a partnership effort between all major stakeholders in the charity landscape.

Co-Regulation: An Ecosystem



Co-regulation involves the COC working closely with all four stakeholders of the charity landscape through a partnership effort.

Stakeholder 1: Informed Citizens

Citizens have an important role to play in co-regulation. Trust and support of the public translate into donations and volunteer efforts. Due to the recent spike in charity scams, donors have become more discerning and sceptical.

Hence, the COC launched the Safer Giving Campaign in September 2018. It strives to raise the awareness of:

- i. the importance of Safer Giving;
- ii. what to look out for before supporting a charity; and
- iii. how to perform Safer Giving.

The Campaign has a catchy tagline 'Ask, and Check, before you Give', that way, the public can ensure that the funds raised go to genuine causes.

To help charities communicate to their stakeholders with clarity and structure, the COC launched a Visibility Guide in September 2018. The Visibility Guide aids charities in communicating impact, governance, and accountability effectively to their donors, and hence helps to build trust in the giving sector, by promoting transparency and responsible practices.

Stakeholder 2: Enabled Charities

For greater accountability, charities need to be more effective and efficient. This is done by strengthening the governance capabilities of charities through training, talent injection, and ground-up initiatives such as shared services. The COC is also ramping up its efforts of outreach to the smaller charities, through apex bodies².

There is a need to match corporate professionals to serve as volunteers on the boards, management, or staff in charities. This capacity building and matching process is supported by the Centre for Nonprofit Leadership (CNPL), whom the COC works closely with.

² Apex body refers to a body that coordinates a group of charities.

To alleviate the resource and manpower constraints faced by smaller charities, the COC aims to collaborate with apex bodies to provide shared services that will help these charities in mandatory areas such as the submission of government reports and Governance Evaluation Checklists. The Shared Services centres can also help to provide samples of Standard Operating Procedures (SOPs), policies, and guidelines.

Stakeholder 3: Trusted Intermediaries

Today, online fundraising and crowdfunding platforms often act as intermediaries. In January 2018, the COC developed a Code of Practice for Charitable Online Fundraising Appeals. This Code of Practice initiates recommended practices for these intermediaries between donors and beneficiaries, to provide the general public with quality assurance.

Such practices include conducting due diligence to ensure legitimacy of fundraising appeals, ensuring transparency by providing status updates on amounts of donation received and accountability of donations received. To date, four platforms have subscribed to the Code. They include Giving.sg, Give.Asia, Simply Giving, and Ray of Hope Initiative (ROHI).

The COC will continue in its efforts to nurture more trusted intermediaries, such as commercial fundraisers. With these initiatives, the COC hopes to nurture trusted intermediaries to provide a safe online giving environment.

Stakeholder 4: Empowered Beneficiaries

Last but not least, beneficiaries as well as their caregivers have a role to play in the charity ecosystem. They can provide feedback, share experiences, and raise awareness in their own ways. For example, under SportCares, the Play-It-Forward programme is supported by youth who have benefitted from football coaching programmes and return as volunteer coaches.

Singapore Cares: Strengthening the Philanthropy and Volunteerism Ecosystem

The charity sector is part of the larger national narrative of care, under the national movement known as Singapore Cares (SG Cares). It brings

together partners from various sectors such as SSOrgs, social enterprises, and public sector agencies to build a more caring and inclusive society. It also aims to create a conducive environment to promote the growth of volunteerism.

With growing needs and limited resources, SSOrgs need to be more efficient and innovative. Disjointed efforts in the social service sector has resulted in an unequal distribution of aid. Under SG Cares, NCSS helps SSOrgs to re-structure roles in their programmes, in order to create more meaningful and sustainable service-based volunteerism opportunities.

More platforms can be created to build closer networks and potentially create long-lasting partnerships between donors and beneficiaries. These include initiatives such as NVPC's Company of Good network as well as NVPC and Community Foundation of Singapore (CFS)'s CoLABs programme. Other partners include independent nonprofit organisations such as Just Cause Asia and Conject Consulting that help to bridge the information gap between donors and charities.

SG Cares also harnesses technology to map volunteering opportunities across Singapore. The SG Cares mobile application makes these opportunities more visible and accessible to citizens, facilitates the matching of volunteer demand with volunteer supply, and enables users to be connected to volunteer opportunities. With future enhancements, the application will be a one-stop gateway to volunteering resources and services, enabling a seamless giving journey for individuals and the community.

7. Conclusion

In response to changing social needs and their growing complexity, the social service sector is undergoing an evolutionary transformation. It is pertinent that SSOrgs adopt better resource management practices and work towards becoming high-impact, nonprofit organisations. As resources are limited, SSOrgs should re-orient their mentality towards doing more with less. This transformative journey begins with capable and visionary leadership, which will be discussed in the next chapter.

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Chapter 2

Leadership, Roles and Responsibilities of Social Service Organisations' Board

by William Wan^d

This chapter covers the leadership, roles and responsibilities of social service organisations' board. It explains how voluntary welfare organisations (VWOs) have evolved into social service organisations (SSOrgs), reflecting the level of professionalism required from nonprofit organisations. In order for SSOrgs to better serve social needs and strive for organisational success, effective shared leadership between the board and management is crucial. This chapter clarifies the roles of the chair and the CEO, elaborates on the symbiotic relationship between the chair and the CEO, and the role of board members.

1. Evolution of Voluntary Welfare Organisations into Social Service Organisations

According to the Ministry of Social and Family Development (MSF), VWO is a nonprofit organisation which provides welfare services and/or services that benefit the community at large. VWOs are typically set up as societies, companies limited by guarantee or trusts. In Singapore, if the organisation is set up exclusively for charitable purposes and carries out activities to achieve these purposes, it must register itself as a charity (Ministry of Social and Family Development, 2016). By this definition, there are 466 such organisations under the umbrella of the National Council of Social Service (NCSS) (National Council of Social Service, 2018).

At the Social Service Summit and NCSS Annual General Meeting in 2017, 84% of the 342 people in attendance polled viewed that the term 'VWO' does not reflect the potential of the sector or what it should have been (Tan, 2017). Most preferred the term 'SSOrg' as a replacement.

^dGeneral Secretary, Singapore Kindness Movement

Much of the proposed change is commendable. The term ‘VWO’ was first used in Singapore after World War II by the now-defunct Social Welfare Department (SWD). In an article published in *The Straits Times* by Senior Social Affairs Correspondent Theresa Tan, she reasoned that there is a need to change the term ‘VWO’ (Tan, 2017). This resonates with many leaders in the social service sector. After the colonial era, social services were no longer welfare services ran by well-to-do expat volunteers to benefit the less fortunate locals. Today, the social sector’s scope of work has expanded beyond ‘welfarism’ to include advocacy, education, and health services. Service providers are professionally-trained in social work, healthcare, medicine, psychology, law, and management.

Though volunteers are still needed, many services are now being offered by sizeable corporate entities with full-time professional CEOs and CFOs, headcounts, and multi-million-dollar budgets. They are required by the Charities Act (2007) to exercise good governance and transparent accountability.

The term SSOrgs will be used for the purpose of this book. This is to reflect the level of professionalism expected of the leadership in carrying out their roles and responsibilities on the boards of these organisations.

The following box story features an interview with the President of National Council of Social Service (NCSS), Ms Anita Fam. She shared about the need for change and how NCSS has developed the Social Service Sector Strategic Thrusts (4ST) to guide transformation in the social service sector.

Box Story 7

Interview with Ms Anita Fam, President of National Council of Social Service (NCSS)

This box story is prepared by CSDA, based on an interview with Ms Anita Fam, President of National Council of Social Service (NCSS). In the box story, Ms Anita Fam shared her insights on how transformation in the social service sector is necessary in order to adapt to changing social needs.

The Need for Change

While social spending has gone up, social needs too have become increasingly complex. More needs to be done to meet the exponentially growing needs for social services. The hard reality is that the social service sector will not have enough resources going forward if it were to rely only on traditional sources of funding. It is necessary for the sector to explore new ways of growing resources to address growing needs.

Fundraising needs to go beyond organising charity dinners. Rather, the social service sector needs to be savvy and innovative in tapping on resources to address needs sustainably. In the past, the government took on a far more direct role in addressing social needs. However, in 1998, NCSS set out the Social Service Vision 21 (SS21). The Many Helping Hands is an integrated community-based framework. SS21 documented the transition of the government's role to that of an enabler and facilitator.

With complex and increasing social needs, as well as limited resources, it was necessary for NCSS to relook that sector strategy. Hence, the Social Service Sector Strategic Thrusts (4ST) was developed in 2017, embracing a broader ecosystem approach to social services. The primary thrusts of the 4ST are to:

- i. empower individuals, families and their communities;
- ii. develop effective social purpose entities that deliver quality, innovative, and sustainable solutions; and
- iii. nurture a caring, collaborative and impactful social service ecosystem.

While SS21 was largely sector-driven and focused on specific programmes, the 4ST adopts a more holistic perspective, focusing on the person, to more efficiently address the complex needs faced by the individual. For instance, adopting a holistic approach to supporting Singapore’s ageing population will require a cohesive blend of social services and healthcare services.

To facilitate the coordination of such services, the 4ST recognises that SSOrgs need to mobilise the strengths and resources of other players within the social service ecosystem, beyond the traditional funders, charities, and government. By working more closely with these stakeholders, such as volunteers, the for-profit sector, corporates, and social enterprises, SSOrgs will be able to achieve a greater collective impact (National Council of Social Service, 2017a) for service users.

On the Social Service Sector Strategic Thrusts (4ST) as a Mindset Change

One of the key foundations for the 4ST is the holistic, person-centred approach. The Quality of Life Study³, a large-scale quantitative study conducted by NCSS in 2017 of three groups, seniors, adults with disabilities, and adults with mental health issues, identified key areas which participants felt contributed most to their well-being and quality of life (National Council of Social Service, 2017b; National Council of Social Service, 2017c; National Council of Social Service, 2017d). The study highlighted the need for multiple stakeholders within the social service ecosystem to work together to meet a service user’s multi-faceted needs.

While SSOrgs may have once focused on delivering their individual expertise and services, there is a greater need for SSOrgs to work with others now, so that we can deliver better quality, more holistic and comprehensive services to their service recipients. Ms Anita Fam astutely pointed out in *Pioneering Disabled and the Able* that SSOrgs need to come together to foster a common identity to have a bigger voice (Tan, 2015).

³There are three Quality of Life studies. They are (i) Understanding the Quality of Life of Adults with Disabilities; (ii) Understanding the Quality of Life of Adults with Mental Health Issues; and (iii) Understanding the Quality of Life of Seniors. For more information, see details in References.

The 4ST therefore requires a radical mindset change. Change may be uncomfortable, but it is necessary so that we may remain relevant and effective in working towards the vision of every person empowered to live with dignity in a caring and inclusive society.

Embracing Change

Ms Anita Fam joined the board of AWWA in 1994. From 2001 to 2013, she chaired their TEACH ME programme (now called the Community Integration programme) which supports the integration of physically disabled children into mainstream education. She served as the Vice President of AWWA from 2007 to 2013, before stepping down from the Board in 2013.

During the early days, AWWA was run by volunteers, instead of professional staff. Today, the responsibilities and duties of the board and management are far more clearly defined. The board consists of volunteers, whose role is to engage in strategic planning and guide the direction of the organisation, while the organisation, run by professionals, executes the organisation's strategy. Ms Fam felt that the term 'VWO' may be an outmoded descriptor because the organisations in the social service sector are now staffed by professional paid staff. Moreover, the work that these organisations do could be upstream in nature, and not necessarily 'welfare'. In that sense, she felt that the term 'SSOrgs' may be a more accurate description of what these organisations do today.

Ms Fam opined that social services are delivered with greater quality today compared to in the past, especially since these services are professionally managed by SSOrgs. Nonprofit boards should move away from the traditional charity mindset of paying little and relying on goodwill, to ensure continual quality services for those who require them.

2. The Nature and Function of Social Service Organisations

Human beings are social creatures whose existence is very much dependent on the assistance of the collective. According to social work advocate Elizabeth Wickenden (2007), “a developing society can neither survive nor advance without including in its developmental processes the creation of new instruments of cooperation and the adaptation of those that already exist to meet the needs of a changing situation”. Hence, there is always a need to provide social services because of the interdependent nature of the human species.

In Singapore’s brief history, the community rose to the occasion in the aftermath of World War II when there was malnutrition caused by acute shortage of food, which drove its prices way beyond the reach of ordinary citizens. Singapore’s MSF originated as a SWD. Set up during the Japanese Occupation to manage the Communal Feeding Programme, SWD opened its first People’s Restaurant on 29 June 1946 (Ministry of Social and Family Development, 2014). SWD took on the role of caring for and protecting women and children in subsequent years and VWOs were formed to meet the needs of the vulnerable.

In 1958, the Singapore Council of Social Service (SCSS) was formed, bringing VWOs under its umbrella. In 1983, the Community Chest was set up to help VWOs raise funds so that they could devote their attention to provide better care and services to the needy. In 1992, SCSS was restructured and renamed NCSS.

The SSOrgs, under the umbrella of NCSS, represent a wide range of social concerns sharing a common agenda to do good by responding to human needs. Human needs refer to “resources people need to survive as individuals and to function appropriately in their society... Needs vary depending on the specific individual and specific situations” (Johnson & Schwartz, 1994). The defining element is that SSOrgs are channels that supply appropriate help, which directly or indirectly increases people’s abilities to function in society.

The heart of social services comprises a wide variety of counselling services known as casework. However, it also includes other kinds of services, such as information and referral, socialisation, group services, and supportive services. In addition, services that increase the capacity of communities to meet human needs are included in this arrangement. (Johnson & Schwartz, 1994)

Many of these multifaceted needs are more intractable and long-term. While volunteers are still very much needed and play very significant roles, there is a growing need for professionals and paid staff to adequately meet these needs. All SSOrgs have two intertwined goals: to fulfil their service-oriented goals as effectively as possible, and to be sustainable and stay in business. As Veronica Gamez, the former executive director of Aidha, puts it, “I am running a business that demands a double bottom line, with the second being social impact” (Hartung, 2013).

3. The Importance of Leadership in Social Service Organisations

From his survey of the theory and practice of leadership, communications and leadership expert Peter Guy Northouse (2004) concluded that “there are almost as many different definitions of leadership as there are people who have tried to define it”. He defined leadership as “a process by which an individual influences a group of individuals to achieve common goals” (Northouse, 2004). Ronald Tay, Executive Director and Head of Talent at the Nomura, and author of the book *Leadership Conversations*, defines leadership in similar terms. Leadership, he writes, is the “the ability to inspire motivation in others to move toward a desirable vision, to the extent that it becomes a shared effort, a shared vision and a shared success” (Tay, 2015).

The importance of leadership in SSOrgs cannot be underestimated given that it is a service to the public and there are a number of stakeholders involved. Junko Yoda, who transitioned from running a large corporation to co-founding an SSOrg, remarked, “Some people think a nonprofit is less tough—I don’t think so. Managing stakeholders with a wide array of objectives is no different than at a for-profit company; and that makes it complex” (Hartung, 2013).

Since the mission of SSOrgs is to meet human needs, they tend to attract staff and volunteers who are driven by passion and a sense of personal fulfilment, rather than material rewards (Campanini & Facchini, 2013). Recruiting a high calibre team that is truly people-centric rather than profit-centric is critical to ensure sustainable growth. SSOrgs require a special kind of leadership that will motivate professional staff and inspire volunteers at the same time.

4. Characteristics of Effective Shared Leadership

Clinical social worker and therapist Mary Pender Greene spoke at the New York University Silver School of Social Work on October 8, 2010 about effective shared leadership. Having reviewed the literature, she concluded that “the writers agree that in this increasingly-complex environment where organisations are struggling to survive, there is a need for leadership that is transformative, collaborative and relationship-oriented” (Greene, 2010).

The leadership factors that consistently surfaced are soft skills, including the ability and willingness to care for others, empathise, listen, and search for collaborative solutions. In meeting the changing social needs, SSOrgs need to become more adaptive and responsive to the changing environment by becoming less hierarchical, more flexible, and more reliant on the ability of stakeholders to work together collaboratively.

For his book, *Leadership Conversations*, Ronald Tay interviewed 16 leaders from a wide range of fields and industries, including banking, business, and finance, to consumer products and politics. He found that similar soft skills are factors that contribute to the success of these men and women in leadership positions across diverse industries.

Elaborating on the insights he gathered from the interviews, Tay (2015) said:

- i. Leadership requires harnessing the energy and efforts of a group of individuals to move them from an unremarkable Point A to a very desirable Point B. Through this process, the group of individuals becomes a team.
- ii. Leadership is not about having a type of personality trait but a decision to take a stand or step to encourage, inspire, or motivate others to move with you.
- iii. Effective leaders do not rely on their title or positional power to lead. Instead, they use their own personal power, combined with strategic influence, to win the hearts and minds of followers.
- iv. Leadership is influencing others with your character, humility, and by example. It is a belief that through serving others, others would be willing to be led by you.
- v. Leadership is the ability to take an average team of individuals and transform them into superstars.
- vi. Management is task-focused; leadership is individual-focused.

Tay (2015) introduced the acronym for **LEADER**: **L**isten (and Learn), **E**mpathise, **A**nalyse (and Anticipate), **D**ecide, **E**xecute and **R**ole Modelling. Leadership, from the collective perspective of the leaders he interviewed, is a balance between traditional, analytical decision-making, and executive skills on the one hand, and soft skills like listening, empathising, and walking the talk on the other. These characteristics are clearly relevant to SSOrgs as they are, by definition, people-centric organisations. They are equally applicable to both the chair and the chief executive of any SSOrg.

5. The Chief Executive Officer (CEO) or The Executive Director

The CEOs of medium to large SSOrgs today must have finance, business, and legal proficiencies. One such CEO expressed that having to budget and work with restricted grants while raising funds felt like juggling 10 part-time jobs, with 10 employers each demanding undivided attention from him!

CEOs are responsible for providing leadership and direction to other staff and volunteers. The CEO is the pinch point for decisions and responsibility, and acts as the hub for service staff, volunteers, the organisation's board of directors, funders, client population, and the community at large (Seel & Angelini, 2004).

As staff are mostly passion-driven, many have taken a cut in salary to serve in a sector that they believe in and therefore have certain expectations of job fulfilment that go beyond the material rewards (Leong, 2017). Investing in them is of prime importance. Tim Oei, CEO of National Kidney Foundation, believes in investing in employees through training and coaching. Oei reflects that while the leader needs to invest in staff, staff are also looking to invest in the mission.

They want to know, 'How can I contribute?', 'How can I make a difference?', 'Will I be allowed to make a difference?'. If you can show them that they will make a difference, then they say, 'I can invest'. That's the stake in the game. Then they feel 'I gained something'. (Hartung, 2013)

The need to invest in staff is echoed by Alfred Tan, the current CEO of Singapore Children's Society. He advised that in order to empower and delegate, there is a need to train the staff, get along with them well, and form a team to work with them. He added that the staff are very independent, and they get a lot of work done (Hartung, 2013).

There is also a huge group of volunteers who are equally passionate and whose expectations need to be managed. Volunteers need to be trained and developed too. Intangible incentives are keys to challenging and retaining them. Corinna Lim, the Executive Director of AWARE, notes, “People are measured by recognition or how much influence they have, rather than by money, so politics can be high in nonprofits” (Hartung, 2013). Hence, “working with volunteers calls for adjustment and adaptation”, says Alfred Tan (Hartung, 2013). It took some reflection and analysis for him to experience a mindset change when he finally understood that volunteers are akin to strategic partners in the commercial sector.

Naturally, the leader is also accountable to the board. A study of nonprofit CEOs in the United States found that their relationship with the board strongly affects the rate of turnover among CEOs (Bell, Moyers & Wolfred, 2006).

Here is the rub: Many CEOs do not last long because they have difficulty working either with the chair or the board. Sometimes, it takes only one board member to cause the CEO to quit. Debbie Seah, the former CEO of Make-A-Wish Foundation, found it challenging to work with a board. Comparing her experience as an SSOrg leader with her role in the for-profit sector, she shared:

In my previous role, I was heading the branch, and the person I was reporting to was a district manager. We just reported; we didn’t actually run day-to-day activities through him. So, when I was working with the board and we had to make certain decisions... some were easily made, others were not. I realised sometimes it’s not straightforward working with the board, when there are so many members. It’s almost like having ten bosses. Instead of only one boss whom you can get a ‘yes’ or ‘no’ from, you now have a ‘yes’, ‘no’, ‘maybe’, from all ten people. (Bell, Moyers & Wolfred, 2006)

6. Clarity of Roles between the Chair and the CEO

Leadership in SSOrgs is a shared responsibility between paid staff management, usually headed by an executive director or CEO, and a volunteer board of directors headed by a chair or president of the board. The shared leadership concerns itself with governance, management, and operations.

Governance is about vision and the translation of vision into policy. Implementable policies define purposes and sets goals. It concerns the big picture. Management is about making the decisions needed to implement policy. It is focused on programmes,

projects, and targets. To a great extent, it merges into operations. Operations are about implementing managerial decisions and the day-to-day business of the organisation. They concern targets, activities, and performance.

The understanding and the clarity of the respective roles in the relationship between the chair and the CEO will contribute to the overall success of the organisation. This relationship is both support-generating and tension-creating, and it inevitably affects the overall stability of the SSOrg. A supportive relationship between the CEO and the chair will help meet the challenges of effective delivery of services, sustainability, and fundraising, by taking advantage of emerging strategic opportunities. Some tension is good but too much of it detracts from the focus of the mission.

The CEO is the team leader of the paid professional staff just as the chair is the team leader of the board. The role and performance of the CEO is critical to the confidence of the board and stakeholders, especially donors. The CEO acts as the interface between the board and staff and as the main channel of board decisions to the staff. He or she implements board decisions and is responsible for the quality control and productivity of the team. As the staff team leader, the CEO is the approval authority for staff decisions. Most CEOs are also expected to function as the public relations liaison person to other organisations and significant donors, contributing to fundraising and partnership building.

In exercising leadership, the CEO is more involved in the management and administrative functions of the organisation. He or she is responsible for ensuring effective programme planning and their implementation on the ground, taking the strategic direction from the board to the next level of detail, and translating them into action leading to measurable outcomes. As an administrator, the CEO is tasked to ensure the effective management of details behind the programmes.

As the executive leader, the CEO must know the ground, understand, and anticipate the needs of the clients and know how to effectively and efficiently meet their needs. In today's fast-changing landscape, the CEO must be able to anticipate and adapt to changes quickly and successfully. There is a need for a nimble mind and courage to be decisive in order to manage the constant, rapid change.

Meanwhile, the chair would be concerned with the governance and strategic direction of the organisation, which must always reflect and respond to the felt needs of the community that the SSOrg is serving, in order to remain relevant. The chair and the board help to develop human and financial resources to support programmes and activities. It is the chair and the board's duty to ensure financial accountability, which

addresses the legal and ethical aspects of financial management that uphold honesty and cost-effectiveness.

7. The Symbiotic Relation Between Chair and CEO

The chair-CEO relationship is symbiotic, much like a pair of chopsticks. The two chopsticks are meant to work together—the more synergised, the more efficient and effective the working relationship. The nature of their relationship is that of a partnership in which both share a common interest, encapsulated in the vision and mission statements.

It helps the partnership if the personal relationship between the chair and CEO is strong. But strong interpersonal relationship alone does not guarantee success. On the contrary, too much focus on building strong personal relationships may result in risk-averse behaviour, for fear of disturbing the tranquillity of the relationship. This can obstruct forward thinking and innovation, when people become reluctant to voice their disagreements on strategic matters.

For the symbiotic relationship to function effectively, the CEO must understand when to lead and when to follow. There is a need to practice followership, submitting to the leadership of the chair in matters of strategy and policy decisions.

It is crucial for the two leaders to share the same mind in focusing professional staff and volunteer board on the organisation's vision and mission, core goals, strategic thrusts, and accountabilities. On top of that, there should be an agreement regarding the delegation of responsibility.

The role of the chair and the board is primarily focused on governance and strategic thrust, while that of the CEO is to execute and drive the organisation to achieve its objectives. However, some functions, such as vision casting, can fall between the two mandates.

The social service sector generally attracts leaders with passion and conviction. They are often strong-headed and if their pride is not properly managed, this can create unhealthy tension with the chair, to a point where the two are not able to see eye-to-eye and a parting of ways becomes inevitable. That is why the notion of servant-leadership is critical. Good leaders must first be good followers. In the order of things, a wise CEO must know when to follow and submit to the chair. The CEO must also know how to build a trust relationship with the chair and the board to effectively negotiate with them.

It certainly helps when there is clarity of roles especially between the chair and the CEO. It is always wise for the two leaders to decide early in the relationship how they plan to lead the organisation, with a clear understanding of their leadership styles and approaches. Most importantly, the two leaders should plan to be in constant communication and be committed to creating clarity and unity in the direction they intend, for the organisation to go forward.

That said, the two leaders must be careful not to become territorial and carve their respective roles in stone. Acknowledging and respecting each other's roles should not lead to an obsession about parameters of authority.

The contribution of the board as a collective is crucial to the success of the organisation. Naturally, the chair leads the board and motivates its members to take up active roles in heading committees or projects and making contributions in their specific areas of interest and concern—an important part of a board-building and board-strengthening strategy.

The chair is also responsible for the succession and retention of board members. The old boys club approach where the chair simply recruits his buddies to be on the board is unacceptable today. The Charities Act (2007) has raised the standards of duty and accountability of board members in recent years and it is incumbent on the organisation to have a Nomination Committee. It is the responsibility of the Nomination Committee to ensure that the board is made up of people with complementary talents and experience, to better meet the variegated needs of the organisation. The chair, supported by the CEO, plays an important role in keeping new board members engaged and inspired.

The relationship between the voluntary board and staff is also important. When there is dysfunction or lack of respect between staff and board, the organisation's productivity and reputation with stakeholders and the broader community would be seriously affected. This is where the symbiotic relation between the chair and the CEO contributes to building a strong relationship between the two groups. How the chair and CEO work together and the standards they display greatly influence how staff and board connect and perform. The dynamic expression of optimism, inclusiveness, integrity, respect, and compassion shared by the chair and CEO will help create healthy and productive relations between staff and board, cultivating mutual respect between the two groups.

Good governance promotes transparency. To be responsive and productive, the board and staff must be able to communicate openly and with an appreciation for one another's information needs. Generally, this sense of openness starts with the CEO and chair, who

set an example for both the board and staff, so as to signal the same behaviour that they expect from others.

One of the valuable communications functions is to recognise and affirm the contributions of other players in the organisation. This sets the organisation up for greater success.

When the chair and CEO truly support and complement each other, the energy that permeates the board and staff is palpable and invigorating. Disagreement and debate should be part of the dynamic of board meetings, but the chair and CEO must never disagree publicly. It is best for their shared leadership to negotiate their positions behind closed doors in order to speak with one voice at board meetings and in public. For the morale of the organisation, the chair and CEO should be on the same page on key issues and decisions or it will inevitably lead to serious organisational disharmony.

However, the unity of the chair and CEO must not be at the expense of maintaining the parameters of accountability and authority, to prevent the perception of being biased in the discharge of their respective leadership responsibilities.

To be effective partners, the chair and CEO should be engaged and not be afraid to be constructively critical of each other. Minimally, a healthy level of mutual respect should subsist so that they are secure in asking for critical reviews and feedback. More importantly, the chair and the CEO should be able to give and take, be candid with each other, and be receptive of each other's constructive criticism.

Being the interface between the CEO and the board, the chair can readily seek out the opinions of the other board members and ensure their concerns are brought to the CEO's attention. Similarly, because the chair is not always privy to day-to-day matters that impact the organisation, the CEO is in an ideal position to provide him or her with updates and briefings. Authentic and regular feedback to the CEO from the chair will help the CEO carry out his or her duties in a more informed and sensitive manner.

Conviction and passion are common features of many SSOrg leaders. The chair and CEO have a duty to manage the emotions that they and others bring to their roles. As one CEO shared, "My chair and I constantly strive to set an example and find a respectful balance so that we are seen as committed to the organisation yet not dogmatic in our views." He added, "We live a contradictory existence; we have to be passionate about the organisation's overall mission, but dispassionate on specific issues, in order to be considered objective." For many partners, this means balancing their own beliefs against a wide variation of expectations, needs and political interests, and not getting carried away by their ambitions or egos.

Seasoned chairs and CEOs can achieve this balance by tempering their passion and ambitions with wisdom and patience. Many novices to the sector, who are attracted by the idea of making a difference, soon discover just how important and necessary patience, accommodation, and tolerance are in these leadership roles. In the world of SSOrgs, the wheels of change can move very slowly. The political process and resource constraints inherent in SSOrgs can paralyse the most ambitious and well-intentioned leaders.

As a seasoned CEO reflected,

There really is very little glamour in today's chair and CEO roles. In some ways, the two are the organisation's workhorses – patiently manoeuvring through their daily challenges, rarely frustrated and never losing sight of the goals and the mission.

The chair and CEO are not required to like each other, but they are required to show respect for each other's roles and work with each other for the good of the organisation.

8. The Matching Process

The value of a successful chair-CEO partnership to an SSOrg's well-being cannot be overstated. Evidence of collegiality, respect, and synergy between the chair and CEO is hugely important to the morale of the staff team, volunteers, and donors. Respect for the professionalism of their leadership and the ability to have a good relationship while functioning independently of each other are foundational, to generate confidence in the organisation.

Finding a good match is very much like planning an arranged marriage, where the couple does not usually get to choose one another as partners but must do what they can to make the relationship work. Paying special attention to the leadership dynamics when engaging a new CEO or appointing a new chair is of utmost importance.

Very often, persons of high profile and impressive credentials are chairs of choice. Very little attention is paid to soft skills or the willingness and ability to work in partnership with others. These persons are often too busy to pay attention to the needs of the organisations, let alone take time to build an effective relationship with the CEO.

While having a chair whose personality is compatible with that of the CEO may be helpful, it is not advisable to appoint a person to be chair solely on chemistry alone.

Being too comfortable often leads to complacency that does not necessarily add value to or deliver results for the organisation.

The soft skills of the leader as identified by Ronald Tay are some of the personal characteristics that will make the shared-leadership effective. Humility, sensitivity, empathy, and kindness are necessary people-centred traits that are critical to a successful partnership of leadership. Just as important is the commitment of the two chosen leaders to work together, by holding each other accountable to ensure that their partnership lasts (Tay, 2015).

9. The Role of Board Members

The most fundamental role of the board is to ensure that everyone connected directly or indirectly with the organisation understands its reasons for existing. Collectively, the board members hold the CEO accountable for his or her stewardship of the organisation, for the board is the body that approves the appointment of the CEO.

It is reasonable for the CEO to expect and receive moral and substantive support from the board, although this responsibility is often mediated through the Chair. Among the substantive support is the assistance the board can give to the CEO in ensuring adequate financial support and securing financial resources to meet its purposes.

Although the CEO is usually expected to be the key fund raiser, providing adequate financial resources is also a major board responsibility. In this regard, the board should certainly lead by example. Indeed, board members are trustees of the organisation and have a legal and fiduciary duty to provide reasonable oversight of the organisation. Generally, so long as they act responsibly and in good faith with the basic interests of the organisation as the foremost objective, they are protected from liability in case of judgement errors.

10. Confusion of Roles

While board members should always have a good sense and feel for the organisation they are tasked to have oversight, they must beware of the danger in confusion of roles. The board's role is to ensure the creation and delivery of high quality and cost-effective programmes and services to the needy, while it is the staff's responsibility to initiate, create, and deliver these programmes and services. Confusion of roles often arises as

both sides try to meet this responsibility. It is especially so when the board members are also volunteering extensively to conduct and manage programmes.

A case in point is when the chair or board member constantly asserts his authority by interfering with and interrupting the CEO in such a manner that he ends up initiating a programme, insisting on having a say in all the fine details of implementation, and expecting an update on the progress of the project at every turn. Such scenarios have often resulted in CEOs resigning within the first six months of tenure.

The root cause for such behaviour from the chair or board member is an utter disregard and disrespect for the leadership role of the CEO. At a deeper level, there is a lack of trust and confidence in the ability of the CEO.

Clarification of roles and responsibilities alone does not guarantee the building of a strong partnership. When there is trust and openness with one another, a strong partnership between the board and the CEO can be established. In *Effective Board Chair-Executive Director Relationships: Not About Roles!*, Mary Hiland (2006) cites a 2005 study of board chairs and CEOs from 18 nonprofit organisations located in Silicon Valley, California. The study concluded that “those with the strongest relationships noted the importance of flexibility in negotiating roles, not just defining or clarifying roles.” She notes that board chairs in high-trust relationships did not feel the need to assert their authority with executives. Influence was possible in both directions because of a reciprocal relationship based on trust.

Hiland concluded,

This study highlights the fact that nonprofit leaders need to recognise that the board chair–executive director relationship is an important and powerful resource. They need to work on the relationship, not just in it, to determine how to best develop it and strengthen trust. Prescriptive roles and responsibilities should be de-emphasised. Executives and board chairs need to be flexible in how they structure their work together—empowering each other to consider their individual strengths, interests, and the organisation’s important work—rather than ‘going by the book’. (Hiland, 2006)

11. Conclusion

Good leadership in SSOrgs is crucial so as to prepare charities to better serve the social needs in Singapore.

Good and effective leadership unites the board to achieve its vision. It begins with having clear roles and good synergy between chair and CEO. Effective shared leadership is about decisiveness, taking ownership and responsibility, being transparent and accountable, and having the mutual trust to invest that authority in the shared leadership of the chair and the CEO.

Organisational success in SSOrgs is not a given. It requires an engaged and accountable board, led by a chair who builds a symbiotic relationship with the CEO. Together, they move in tandem towards a strategic direction. It is this balanced collaborative and cooperative partnership between the board of directors and the CEO that will ensure success. SSOrgs are indeed blessed when leaders with soft skills and shared values are bonded together by effective chair and CEO who work in synergy to focus attention on creating and sustaining excellent relationships for creating and delivering excellent service to those in need.

As Singapore's population ages rapidly, the need for good leadership in the social service sector is even more critical in the immediate future (Goh, 2015)⁴. There will be fewer young people to meet the needs of the ageing population. With scarcer human and financial resources to meet an ever-widening circle of needs, the SSOrgs of the near future will have to do more with less. They simply cannot hope to achieve their objectives without excellent leadership.

⁴In 2011, some 300,000 were aged 65 and above, but by 2030, it will be tripled to 900,000. With the decrease in Total Fertility Rates, the median age will also increase from 39 to 47 years. Consequently, the number of people 20 years to 64 years looking after elderly persons 65 years and older will also decrease. In 2012, it was 5.9 to one elderly but by 2030, it will be 2.1 to one.

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Chapter 3

Developing Volunteers for the Social Service Sector

by S. Vasoo^e

This chapter focuses on volunteer development in the social service sector. It expounds on the challenges faced in volunteer management and participation, possible methods to attract and retain volunteers, and the future of volunteerism in light of technological developments. The chapter promotes a partnership model, in which the government, the corporate sector, community organisations, volunteer groups, and donors are engaged in community development. Four box stories have been incorporated to showcase volunteer development in Singapore.

1. Introduction

Many social and voluntary welfare organisations still take a lacklustre approach in managing and promoting the participation of volunteers. Stemming from the mistaken perception of them as an organisational appendage, volunteers are viewed as a burden to staff and a spent force which does not generate but instead consumes more organisational resources. In addition, many agencies in the social and welfare sectors are outsourcing their services to service contractors.

This phenomenon cannot go unchallenged, as efforts of professional manpower can be more effective when complemented by volunteers who bring with them the human dimension in the delivery of social services. In all human miseries and needs, both professionals and volunteers are required to find the most meaningful and cost-effective way of advancing human development and problem solving. In addition, many agencies in the social and welfare sectors are outsourcing to service contractors.

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The emphasis of the government's policies in helping the disadvantaged in Singapore is to promote self-help by involving the community. The disadvantaged include the disabled and sick, aged destitute, individuals and families in distress, and children and youths in need of care and guidance.

Traditionally, clan and lineage organisations played an important role in assisting the disadvantaged in the community. However, volunteer participation⁵ has undergone a significant transformation over the years. Despite efforts to encourage clan and lineage organisations to reform, their activities continue to decline (Esman, 1978; Seah, 1973; Vasoo, 1991).

In response, more social service organisations (SSOrgs) have been established to help the disadvantaged in the community. The government supports the SSOrgs through the provision of tax-exempt status, matching grant, and provision of land and capital cost. Besides the SSOrgs, Residents' Committees in public housing estates have contributed through neighbourhood betterment activities (Sundblom, Smith, Selle, Dansac & Jensen, 2016).

2. Challenges in Volunteer Management and Participation

Volunteers have varied interests and they come forward to offer their time for numerous reasons. It is thus important to have a diverse range of volunteering opportunities available, to drive the spirit of volunteerism.

It is observed that volunteerism participation efforts in social services have focused much on task-centred community activities, which cover short-term projects that revolve around mainly socio-educational and recreational activities. As a result, volunteer groups have gravitated towards becoming task- or programme-centric, as agencies increasingly hold the view that it is more efficient to outsource programmes than mobilise volunteers to deliver them.

This development is further reinforced by the outsourcing of community services to the private sector. The private sector has increasingly been contracted to deliver services or activities for the social service sector. The consequences of such an approach can

⁵ Volunteer participation is defined as efforts, either jointly or on their own, of government, corporate sector, community organizations, not-for-profit groups and or voluntary welfare organizations (VWOs) to promote community betterment and community problem solving by involving people based on mutual help or self-help and planned changes. The outcome of is community ownership in promoting community wellbeing.

reinforce learned helplessness of the beneficiaries who are usually relegated to passive or dependent roles. This also reduces societal dependence on and consequently the need for volunteers to offer support to the disadvantaged in society.

In the long run, the spirit of community service and volunteerism will be eroded. Everyone will only care about themselves, and the ‘uncaring Singaporean’ culture will surface. It will not be healthy for society as a whole (Nesbit et al., 2016).

2.1 Promoting Volunteer Participation

Extensive participation of volunteers is critical in ensuring the sustainability of community activities. SSOrgs will find it hard to attract and sustain volunteer numbers and participation if they continue to offer mundane and routine voluntary service programmes which will fail to sustain volunteers’ interest (Gidron, 1983; Goh, Kua & Chiang, 2015).

Volunteer participation rate in all countries including Singapore will probably decline in the near future due to an ageing population and this will affect the work of SSOrgs operations. In light of this trend, robotic technology may surface to undertake work which are normally assigned to volunteers. It is crucial for Singapore to increase the volunteer participation rate in the face of an ageing population and Minister for Culture, Community and Youth, Ms Grace Fu, believes that technology can empower and enable Singaporeans to do good (Leong, 2018).

In the next box story, Zeles discusses their initiatives on using technology as a tool to make volunteering an interesting and enhancing experience. Zeles exemplifies Ms Grace Fu’s belief in the potential of technology to enhance volunteer participation.

Box Story 8

Zeles

This box story is prepared by Zeles. It shows how the organisation utilises technology to promote volunteering as a rewarding and valued lifestyle choice for Singaporeans.

Zeles is a not-for-profit enterprise that focuses on enhancing and facilitating volunteer movement in Singapore. Zeles aims to bridge the gap between the social service community and volunteers who are inspired to make a difference.

Zeles utilises technology as an enabler and driver of social impact. By emphasising the sense of satisfaction experienced in conducting purposeful work, Zeles aims to highlight the value of volunteerism in the social service sector.

Lastly, Zeles aims to promote volunteering as a rewarding and valued lifestyle choice for Singaporeans across all walks of life, as Zeles firmly believes that abled retirees can constitute a workforce capable of catering to the human resource demands of an ageing population.

Launched in March 2017, the Zeles Mobile Volunteering platform allows volunteers to clock volunteer hours through their smartphones. The platform creates a comprehensive database of the volunteering activities conducted in Singapore, allowing SSOrgs to gain a better understanding of volunteers' profiles, engagement preferences, and gaps in the system.

The Recognition Rewards scheme, launched in April 2018, is part of Zeles' efforts to create programmes that drive the active recruitment of regular volunteers for SSOrgs with support from Corporate Sponsors. The scheme offers products and services from these Corporate Sponsors as rewards to volunteers, to recognise their efforts. Volunteers may redeem these rewards through Vo-Points, which are accumulated from the number of volunteer hours recorded.

Zeles aims to introduce Corporate Social Responsibilities (CSR)-based bridging services to corporations and their employers, which track

employees' volunteering activities and compile information for reporting requirements, for a service fee.

Value Propositions for Volunteers

Zeles believes in adopting different approaches to attracting volunteers, based on their respective age groups: young volunteers through schools, working adult volunteers through employers, and retirees through skills enrichment programmes. Through the tracking of records, SSOrgs can stay updated on the contributions made by volunteers.

Value Propositions for Social Service Organisations

Zeles seeks to highlight ongoing strong volunteer activities within SSOrgs, to promote greater access to government grants and donation opportunities for SSOrgs.

Zeles aims to promote a system that provides an efficient tracking of semi-skilled volunteers for purposeful community contribution. Volunteers can record their attendance by themselves, which improves productivity as it frees up administrative staff of SSOrgs for other areas of work.

2.2 Effects of Ageing Population on Volunteerism

Singapore's ageing population is difficult to overlook. In 1990, there were about 164,000 persons aged 65 years and above in Singapore; In 2014, the number has increased to 431,601 persons (Singapore Department of Statistics, 2017a). It is estimated that by 2030, about 25% of Singaporeans, or 900,000 people will be above 60 years old. This trend is further compounded by the low fertility rate of 1.5, which is below replacement level.

Indirectly, these population statistics indicate a shrinking pool of younger adults who may be available to serve as volunteers. This will affect the operations of SSOrgs that heavily rely on young adult volunteers for their programmes. However, the reduction of young volunteers could be mitigated by the potential of mobilising older persons who can form a substantial pool for volunteer manpower.

Given the senior citizen's life experiences and ability to identify with the elderly population, they are a valuable resource to SSOrgs (Sundblom et al., 2016). Some SSOrgs have started comprehensive plans to tap on senior citizens as volunteers. One such organisation is RSVP Singapore The Organisation of Senior Volunteers (RSVP), whose vision is to make every senior a volunteer.

Box Story 9

RSVP Singapore The Organisation of Senior Volunteers

The box story is prepared by CSDA, based on an interview with Mr Koh Juay Meng, the Chairman of RSVP.

RSVP recognises that seniors are important as they act as social stabilisers and social capital for the future economy. Started in 1998, RSVP's mission is to develop senior volunteers and provide them with meaningful opportunities to serve the needs of the community. To fully engage their senior volunteers, RSVP considers not only the volunteers' needs but also the volunteers' aspirations. With a good working knowledge of the needs of the community, RSVP is able to re-align their programmes and services, and respond to the changing needs of the ageing population.

Q: Why are volunteers important to your organisation?

The importance of our volunteers is epitomised in our name. RSVP started in 1998, with the key objective to empower seniors to come forward, volunteer, and contribute their talents and experiences.

Just like a supply chain, our volunteers are the raw materials to produce goods and services. Volunteers are our main resource. Without them, there is no RSVP.

Q: How do volunteers help in your organisation's operations?

RSVP has 2,500 volunteers. Our active volunteers serve at least 36 volunteer hours a year.

We have ad-hoc or episodic volunteers who may be unable to commit to scheduled programmes but still wish to volunteer. They help in occasions such as goodie-bag packing or park clean-ups.

Some of our volunteers assist as receptionists and IT programme trainers. In addition, volunteers in RSVP's social enterprise ProGuide provide professional services to SMEs and other nonprofit organisations.

Q: How does your organisation recruit and retain volunteers?

We recruit volunteers through various means, most commonly by word-of-mouth or referrals from current volunteers. Mass recruitment of volunteers takes place in September at our annual signature event, the National Senior Volunteer Month. On a regular basis, RSVP also holds Open House sessions, where potential volunteers are invited to tour the premise and hear experiences shared by volunteers and staff.

We retain our volunteers by engaging them with meaningful work and recognising their efforts through volunteer awards at RSVP's annual appreciation lunch. In addition, Activity Circles (ACs) provide outlets for seniors with similar interests to engage in their passions and meet like-minded peers through various ACs such as Gourmet Activity Circle and Karaoke Activity Circle.

People volunteer because of an emotional attachment to a cause or an organisation. It is important for us to always maintain a personal touch through our interactions with our volunteers, to retain their passion and desire to give back.

Q: In your opinion, how is the social service landscape changing in the future?

Currently, SSOrgs tend to work in silos, which wastes time and resources due to duplication within the sector. We must be open to conduct joint projects together, both big and small-scale, so that everybody benefits. We can also collaborate with organisations to share our volunteer pool.

The use of technology in our work is imminent and SSOrgs need to embrace digital changes and disruptive technology to stay relevant.

Q: How is your organisation prepared for these changes?

Today, RSVP has a two-pronged approach to equip ourselves for changes. This is (i) through the creation of the Volunteer Transformation Map (VTM) and Strategic Planning Exercise; and (ii) by using technology to better manage volunteers.

i. Creation of Volunteer Transformation Map (VTM) and Strategic Planning Exercise

In response to the government's Industry Transformation Map, RSVP's VTM streamlines our existing programmes into three main services - befriending, guiding, and training.

We have recently concluded our Strategic Planning Exercise with our stakeholders and staff, where we mapped out a five-year plan commencing from end-2018. Part of this plan is to increase our outreach efforts and to recruit more volunteers to benefit the sector as a whole.

ii. Using Technology to Better Manage Volunteers

RSVP is currently migrating to a new volunteer management system called VOLunteer OPTimiser (VOOP). Developed by Trampoline, a nonprofit organisation, VOOP utilises big data to enhance our volunteers' traceability and visibility, by e-mapping our volunteers according to residential addresses. This achieves better targeted engagement of neighbourhoods and management of volunteers.

Q: How will these changes affect your organisation's strategy in engaging and deploying volunteers?

To fully engage our volunteers with meaningful and successful experiences, RSVP considers not just volunteers' needs but their wants as well. More importantly, we must know the ground and react to these changes, by promptly re-aligning our strategies to fit the changing needs of seniors. Seniors are important, as they act as social stabilisers and social capital for the future economy.

Q: What are some of the challenges that your organisation faces?

Fundraising is always challenging. Our donors must fully believe in our cause. As RSVP's beneficiaries are healthy, mobile seniors, potential donors may be reluctant to help as they do not see healthy seniors as an urgent need.

The challenge for RSVP is to convince donors to support our seniors, to empower and provide them with opportunities to serve the community. Singapore is an ageing society. Hence, it is important for us to recognise the valuable role that our seniors play in our society.

2.3 Difficulties in Attracting Young Volunteers

In recent years, many businesses and MNCs provide attractive internship opportunities to employable young adults. Instead of volunteering in the social service sector, many tertiary students prefer to take up internships in the business sector as the social service sector offers fewer incentives and perks when engaging students to work in service projects.

This is a challenge for the social service sector. To overcome this hollowing out of resourceful young volunteers, SSOrgs need to design more innovative programmes that appeal to young volunteers. These programmes should aim to offer intrinsic benefits of solving community problems that cannot be measured with monetary compensation.

To promote participation of young volunteers, it is beneficial to have a well-coordinated and comprehensive resource bank for Volunteers in Action (VIA). Through this resource bank, young volunteers can gain access to the database that will allow them to make informed decisions and choose the initiatives, projects, and organisations that they are interested in.

2.4 Social Service Organisations' Outsourcing of Community Services—Its Effects on Volunteerism

Time constraints, concerns for efficiency and desire for quick turnaround have led many SSOrgs to engage external service providers. Indeed, the outsourcing of some tedious administrative work such as bookkeeping can be beneficial. SSOrgs have limited resources and manpower, hence it is prudent for them to prioritise their efforts in their core service functions. However, when overdone, the outsourcing and replacement of activities and services previously provided by volunteer groups can dampen the spirit of volunteerism in the community.

It is observed that community activities are increasingly being planned within a short timeframe so that the activities are tied to the term of the office holders. As a result, volunteer activities cease to be development-oriented and people-centred. Instead, they have become increasingly task- and activity-focused. Many SSOrgs may inevitably adopt a narrow approach in their understanding of the changing needs in their community. In the longer term, SSOrgs may become more detached from those that are vulnerable to social problems. They are less able to connect with the needs of their target groups (Wiarda, Adams, Lam & Wilson, 2016).

2.5 Board Renewal

Increasingly, the responsibility of managing social and voluntary organisations is left to elected office bearers. This may result in the social sector being led by only a small group of leaders. The concern is this small group of organisational leaders may become vulnerable to compassion fatigue.

Due to a shortage of younger members who are prepared to step into leadership positions, the burden of delivering community activities will continue to be carried out by this small group of organisational leaders. They become domineering forces that continue to run organisations in a traditional or conservative manner. Those in leadership stay entrenched for many terms, hence the management in the social service sector fails to undergo renewal. This becomes a vicious cycle that can be averted. The current leaders can devote more attention to encourage and enlist a greater number of resourceful and passionate people, so that they can be groomed as the next generation of leaders.

To facilitate smooth leadership transition in the sector, it will be prudent to implement guidelines to induct volunteers into the organisation's leadership and management

board. Incumbent boards are encouraged to take appropriate steps to nurture new members without discrimination. They have to be mindful not to behave exclusively or territorially.

3. Enhancing Volunteer Management and Participation

To meet the challenges confronting community development and strengthen emotional connections, Smith et al. (2016) proposed a few ideas for key leaders in student volunteer groups and organisations to consider undertaking. These ideas are developed and presented below.

3.1 Promoting Corporate and Skill Based Volunteerism

As more companies adopt Corporate Social Responsibilities (CSR) practices, the growth of employee volunteerism is expected. This is an optimistic trend for the future of volunteerism. However, it is important for SSOrgs to understand that Singaporeans are likely to only be involved in voluntary activities that are beneficial to both the beneficiaries and themselves (Olson, 1965; Smith et al., 2016). Hence, SSOrgs should be mindful to involve their volunteers in experiences that will promote their personal growth and development.

Over the years, many SSOrgs have grown and expanded their establishments and scaled up the delivery of their community services. To better manage their resources, they developed rules and practices to better manage their human resources, both paid staff and volunteers. In the process, some volunteer activities have become more rule-bound, with fixed schedules and tasks. This straight-laced approach may turn away those who prefer a more flexible volunteer work arrangement. This may indirectly result in a loss of valuable volunteer manpower and talent in the social service sector.

Professionals with expertise in management, marketing, branding, fundraising, and data analytics are invaluable to the social service sector and can be tapped as volunteers. However, these professionals are likely to be more responsive to flexible volunteering arrangements. The social service sector will have to be less rigid in their engagement to attract the vast potential pool of volunteers who are skilled and capable of value-adding to the sector. If we remain insular and unresponsive to the changing globalised world, the social service sector will ultimately lose out.

More efforts must be made by the sector to encourage and enable professionals to pilot community service projects. This will contribute to the development of innovative ideas in the delivery of services to better meet the needs of various disadvantaged and marginalised groups. Indeed, a wider and varied voluntary thoroughfare can better accommodate diverse individual volunteers who can help the sector become more effective in community problem-solving (Smith & Stebbins, 2016).

3.2 Tertiary Student Volunteer Management Centre

Tertiary students can only be empowered to make substantial contributions to the social service sector if there are effective volunteer management practices and volunteer training and development programmes. Currently, inadequate resources are being deployed to give credence to the importance of Values in Action (VIA). VIA activities are also not well coordinated. As a result, some of the volunteers may not receive appropriate training and development.

More serious efforts must be undertaken to promote volunteerism among the young for long-term continuity and sustainability. To do so, tertiary education institutions need to take action to help promote volunteerism. A Tertiary Student Volunteer Management Centre can be established to recruit, train, promote, and sustain philanthropic efforts. This will have to be a fully-fledged centre running on a nonprofit basis. The centre will serve to provide a more targeted approach to reach out to tertiary students.

This centre will offer a more personalised approach to encourage and motivate tertiary students to volunteer. A diverse range of voluntary projects at both local and regional levels can be planned to cater to the varying interests of students. The Centre can also work in collaboration with the existing National Volunteer & Philanthropy Centre (NVPC). This is in line with NVPC's aims of nurturing a giving culture in Singapore through promoting volunteerism and philanthropy learning.

Box Story 10 features Movement for the Intellectually Disabled of Singapore (MINDS). It provides insights on the strategies implemented by MINDS to engage volunteers and improve their volunteer management system.

Box Story 10 Movement for the Intellectually Disabled of Singapore (MINDS)

This box story is prepared by MINDS. MINDS is one of Singapore's most reputable volunteer welfare organisations with a mission to meet the needs of, and advocate for, persons with intellectual disability. It offers a holistic set of educational and training programmes and services, which range from academic to life-skills training, to prepare its beneficiaries for equal opportunities to be integrated into society.

MINDS recognises volunteers as an indispensable resource in furthering its mission. In addition, the organisation is committed to empower its beneficiaries through an initiative that allows beneficiaries to adopt the role of a mentor and transfer their skill sets to volunteers. This role reversal in turn strengthens the connection between their volunteers and beneficiaries and nurtures long-term volunteerism.

**“What is the essence of life?
To serve others and to do good.”**

Aristotle (Greek Philosopher)

At MINDS, volunteers play an important role to provide extended opportunities for its beneficiaries as well as their caregivers to participate in numerous developmental and interactive activities. These include activities such as sports, hydrotherapy, music, and art and craft. These volunteer-led programmes, guided by professional staff, equip beneficiaries with important life-skills such as handling money, independent travel, and team-building.

To achieve the goal of skills development and social integration for beneficiaries, volunteers are indispensable! At any point in time, MINDS works closely with over 2,000 volunteers who befriend and provide skills transfer to its beneficiaries.

Effective volunteer engagement and management is crucial to its success as it enhances all volunteer-driven programmes. To ensure continuous support and commitment from MINDS' volunteers, matters relating to outreach, training, exposure, and succession planning are critical. Collaborative efforts that allow volunteers to work with multiple SSOrgs within the same programmes have also shown to be successful.

MINDS also implemented a programme that allows their beneficiaries to adopt the role of a mentor and transfer their skill sets to their volunteers. This role reversal strengthens the connection between the volunteers and their beneficiaries, nurtures long-term volunteers and reinforces their faith in the befriending and training system.

3.3 Promoting Collective Fundraising Efforts in Volunteerism

In 1983, centralised fundraising was established through Singapore Community Chest. It was a good move to provide financial resources for the work of charities. This set-up has been beneficial as it avoids the duplication of volunteer fundraising drives. However, the initiative has inadvertently decreased opportunities for the greater involvement of volunteers, as mega fundraising projects are often outsourced to event management companies and do not involve volunteers.

In essence, volunteers from all level of society are needed as they all play a critical part in the fundraising efforts of the social service sector. Although centralised fundraising is advantageous, SSOrgs should involve volunteers in their fundraising efforts. Opportunities for volunteer participation in fundraising for different social and charitable causes can be made possible by the decentralisation of fundraising efforts to various charities with diverse social causes. This presents voluntary opportunities for a large number of volunteers from varied social backgrounds to play a part in fundraising activities. Through the fundraising activities, volunteers and boards of management will become publicly accountable for the utilisation of the funds raised from donations.

3.4 Rejuvenating Boards

A significant number of grassroots leaders in community organisations located in the mature housing estates are above 50 years old. These organisations face difficulties in recruiting younger residents to take up leadership within their communities (Vasoo, 1994).

With the greying of the organisational leadership, it is crucial to rejuvenate the leadership of community organisations by attracting young volunteers. However, it is not sufficient to simply recruit them. These young volunteers must be mentored by committed senior leaders. Through attachment to specific mentors, young volunteers can be anchored to the organisations. This helps to groom young volunteers towards taking up leadership in organisations dominated by seniors. A rejuvenated leadership with people-centred volunteers and potential leaders is needed to carry out community problem-solving activities.

People-centred volunteers and leaders are proactive. Caution should be taken to ensure that they are not overburdened with so much tasks that they suffer burnouts. More importantly, volunteers should be given management skills training to understand the needs of beneficiaries so that they can help community organisations become more responsive in tackling emerging social needs (Colomy, Chen & Andrews, 1987; Gidron, 1983).

It is crucial for social and welfare organisations to set up a Volunteer Management and Development Centre to recruit, orientate, train, deploy, develop, and recognise volunteers. Technology can be applied to match volunteers to those in need of help according to the expertise and services that a volunteer can offer. In view of the resource constraints, it will be handy to have an SSOrg to focus on developing and maintaining a shared system for volunteer management and development for the sector.

4. Future of Volunteerism

4.1 Enhancing Self-Help and Community Ownership

In carrying out community service activities, there should be fewer outsourcing contracts and more insourcing activities. Involving students in the decision-making process of not-for-profit organisations or social enterprises empowers them to take ownership, for the betterment of their communities.

Student volunteer groups can further widen the base of participation by engaging beneficiaries to form various interest groups or task forces to work on various social issues. These projects may include:

- i. security watch and crime prevention;
- ii. co-operative care services; and
- iii. improvements to recreational facilities, pollution control, and environmental enhancement projects.

Beneficiaries should be encouraged by local councils to deal with local matters rather than passively receive volunteer services. Allowing beneficiaries to take ownership of activities for the betterment of their own community can widen the pool of potential leaders available for the social service industry.

4.2 Reaching Out to Lower-Income Residents and Minorities

Globalisation has threatened low-skilled workers with depressed wages, leading to widening income gaps (Goh, 2000; Goh, Kua, & Chiang, 2015). People with better skills are more likely to move ahead while those who are lower-skilled and less literate in Information Technology fall behind in income.

Social stratification based on socio-economic classes, compounded by ethnicity, may surface if excessive free market competition is not tempered. Social conflicts may emerge and destabilise community harmony and cohesion as a result (Lee, 2000).

Student groups and organisations can take preventive measures to deliver community-based self-help programmes. This can include social and educational assistance, computer training, educational head start for children of low-income families, child care services, youth vocational guidance and counselling programmes, family-life and development activities, and lifelong learning programmes to help socially disadvantaged groups.

It should be a long-term investment to build people's capabilities. As such, it is critical to invest in educational head start programmes for children from low-income families. These interventions should begin from nursery level. The growth of such projects through partnership with various self-help groups, unions, co-operatives, and not-for-profit-organisations will help children from disadvantaged background improve their circumstances through education, self-development, and the acquisition of life skills.

Matched savings scheme can be tied to these education head start programmes. Young children can be encouraged to save and deposit their savings into a junior joint savings account. At the end of the programme, their personal savings will be matched dollar-for-dollar (Tan, 2017). Through such matched savings scheme, children will acquire financial literacy, learning the value of planning and saving for one's future (Centre for Social Development Asia, n.d.).

The SSOrgs must work towards promoting more concrete services that will meet beneficiaries' social and economic needs. The cost for participation should be reduced to motivate both minorities and working-class households to join in these mainstream community projects. Besides the matched savings scheme, other types of community services that can be considered include literacy education, environmental protection, provision of shelter, provision of sanitation, credit unions and co-operatives, potable and clean water, early childhood learning, infant and maternal healthcare, preventive healthcare, vaccination, retirement planning, eldercare, and vocational training.

These community development efforts can help to reduce the social frictions between classes and ethnic groups. Advancing the skills of all disadvantaged children in Singapore, regardless of their colour or ethnicity, is the practical solution.

4.3 Renewing and Rejuvenating Ageing Neighbourhoods

Old urban neighbourhoods in particular are seeing an outflow of the more capable and resourceful. Less able manpower is now left to tackle community problems, and limited good volunteer manpower available to be mobilised for community problem-solving (Berger, Blugerman, Guo, Petrov & Smith, 2016).

In the next two decades, there will be more silver neighbourhoods. If attempts by policy makers to renew and rejuvenate these neighbourhoods do not match the rate at which the population is ageing in these places, these neighbourhoods will become listless and socially run down. As local social and economic activities slow down, younger people are unlikely to be attracted to live in these neighbourhoods where seniors dominate the demography. It will therefore be prudent to build a reservoir of active seniors who can provide attention to those in need of care and support.

On the other hand, the emerging urban neighbourhoods will have a relative surplus of younger manpower. This presents an opportunity for the development of mutual help among communities of different neighbourhoods. As such, a Voluntary Service

Exchange Social Capital Bank poses much potential in facilitating volunteerism across communities in Singapore and can be considered as a viable solution. This local social capital bank will act as a depository of personal services people can offer, such as cooking, child minding, transportation, cleaning, electrical repairing, befriending, and gardening. Requests for services can be aggregated and matched to those who can provide these services.

An ageing population also means that there will be more families facing the need to care for elderly parents or relatives. With many of these families comprising working family members, they will face challenges in the burden of care. Social breakdowns become likely in the absence of accessible social support and community care services at the local level.

Therefore, there will be demands for more community-based programmes to cater to the needs of families who have frail, aged family members. The number of such families is expected to rise in the next decade. In light of this situation, student volunteer groups, VWOs, and hospitals will have to work together to provide community care services such as home-help, meals service, day-care, integrated housing, and community nursing.

Community care co-operatives could be formed to offer services, which will be more convenient and accessible to families with frail elderly needing care and attention. Indeed, there is potential for this type of social enterprise to be established with participating families as one of the key stakeholders. Student groups with medical and other professional training will similarly have a role to play to improve social and health services in the community.

The next box story outlines Lions Befrienders' strategy in recruiting and retaining their volunteers. Lions Befrienders has been successful in translating the diverse skills of their volunteers into different services for seniors.

Box Story 11

Interview with Lions Befrienders (LB)

This box story is prepared by CSDA, based on an interview with Mr William Loh, Chairman of Lions Befrienders (LB).

This box story demonstrates how LB recognises the crucial role volunteers play in their outreach to seniors. In consideration of the diverse background and expertise of the volunteers, the organisation matches them to areas where their talents can be fully utilised. Its strategy is multi-modal and adaptive, to enable volunteers to study and address key challenges efficiently.

Q: Why are volunteers important to LB?

Our volunteers are our organisation's greatest assets. They are invaluable resources in enhancing our outreach to the senior whom we befriend.

Our volunteers help expand our range of services through their respective roles.

Befrienders visit and befriend seniors at risk of social isolation. They enhance our seniors' psychological and social well-being by providing company. Centre Volunteers assist our Senior Activity Centre (SAC) staff to conduct activity programmes such as cooking or singing, to keep our seniors healthy and engaged. Corporate Volunteers come from corporations with active CSR programmes. These volunteers organise company-sponsored events like excursions or movie screenings for our seniors. Episodic Volunteers offer their services for specific events, such as hair-cutting and grooming. Professional Volunteers sit in the Lions Befrienders' Executive Committee, Management Board, Sub-Committee and/or Management Committee of the respective SACs.

Q: How does LB recruit and retain volunteers?

LB recruits its volunteers on an on-going basis, through our corporate website, word-of-mouth, and other media platforms. In retaining our volunteers, we strive to be as inclusive as possible. We accord tangible

benefits by providing skills upgrading courses and social bonding events. We also send out birthday wishes and acknowledge the efforts of our volunteers on behalf of the seniors they have befriended.

Q: In your opinion, how is the social service landscape changing in the future?

An ageing population is one of the biggest challenges facing Singapore. An ageing population needs new approaches to address unprecedented problems. As SSOrgs are often resource-stretched, volunteers are becoming an increasingly valuable resource. IT and technology can also be adapted to enhance the services in the senior care sector.

Another challenge is the lack of adequate coordination between SSOrgs, which may result in unequal distribution of efforts. Thus, agencies should step up efforts to coordinate SSOrgs so that services reach as many beneficiaries as possible. We can expect the formation of more public-private partnerships to address sectoral and nation-wide challenges. This is spurred by greater demands for corporations to be socially responsible corporate citizens and give back to society through CSR.

Q: How does LB prepare for these changes?

Through our collaborations with relevant ministries and agencies, we seek to create a holistic programme that addresses the biological, mental, and psychological well-being of our seniors.

To work towards our vision, we provide functional health screenings, memory exercises, and other therapeutic sessions like painting and handicrafts for our beneficiaries. We also ensure that we are up-to-date and informed about the best practices in the sector, by actively sending our staff and Advisory Board members to attend global conferences and seminars.

At LB, we believe we can better prepare ourselves by focusing on technological improvements that we can adopt and adapt. For example, our RoboCoach complements our exercise programme for our seniors. In

addition, we are working with NUS Institute of System Science to improve the gait and balance of our seniors, so that they can stay active, mobile, and engaged with the community.

Q: How will these changes affect LB's strategy in engaging and deploying volunteers?

Given the diverse background and expertise of our volunteers, we will match them to areas where their talents will be appropriately utilised. In addition, we will explore various channels to disseminate information, as well as examine key issues that our volunteers and beneficiaries face. LB's strategy is multi-modal and adaptive, so our volunteers can study and address key challenges efficiently. In view of the dynamic volunteering sphere, where demand for volunteers is high and competition for volunteers is strong, our strategy has been to communicate and highlight our cause-worthy propositions to fulfil the expectations of our volunteers.

4.4 Early Intervention Programmes

There is a widening income gap. The present Singapore Gini coefficient based on per household member after discounting government transfers is 0.49 (Singapore Department of Statistics, 2017b). A population of new poor trapped in low wage jobs faces both family and social difficulties which, if not addressed early, can lead to various social consequences. In the long term, the social divide may be further widened when an increasing portion of low-income children fail to acquire the knowledge and skills critical to earning a competitive wage.

Volunteers can play a significant role in early educational intervention and parenting programmes. Educational mentoring schemes of young children from economically disadvantaged families can aid them to have a better head start in life. Such efforts can help mitigate the trend of educational underachievement of children from poorer and less literate families.

With the support of the Ministry of Education (MOE) and Ministry of Social and Family Development (MSF), volunteers can be enlisted by Family Service Centres to initiate early social and educational intervention programmes in collaboration with other community

groups. These programmes may be in the form of family mentoring, counselling, family life education, educational head-start, care networks, income supplement projects, and early reading.

There is potential to encourage more citizens to volunteer and support community programmes assisting the economically disadvantaged children in the neighbourhood. Using a matching system facilitated by technology, volunteers can be matched to work with these children who are keen to have a mentor.

Beyond promoting social transfers and bonding, these initiatives demonstrate to disadvantaged groups in society that there are volunteers who care and that social support is readily available.

5. Conclusion

Volunteer participation and management are critical for the growth and development of the social service sector. To have greater impact, SSOrgs cannot continue to assume that they know what beneficiaries or residents need. They must invest greater efforts in community outreach to better appraise social needs and challenges. Charities, volunteer groups, and organisations must also encourage beneficiaries to take ownership of the various social and economic activities in their neighbourhoods.

A personalised, caring, and helpful community and compassionate society will evolve through better management of volunteers and greater efforts in nurturing volunteerism. A partnership model should be promoted, with the government working with the corporate sector, community organisations, volunteer groups, and philanthropic individuals. This model is based on the concept of sharing social burdens, where all parties involved in community problem-solving have shared social responsibilities.

In the future, volunteer participation and management will be only a click away. Aggregated Information Technology will be used to effectively match volunteers, based on the services that they can offer, to those in need of help. Such systems will help to enhance volunteer participation and management more efficiently and facilitate the delivery of services to persons in need of help.

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Chapter 4

Managing Charities' Financial Resources

by Isabel Sim^a and Simon Ng^f

This chapter discusses how charities can better manage their financial resources. The board is responsible for managing the charity's financial resources. Charities can achieve accountability and transparency through annual reports, fund accounting, conflict of interest policies, and performance management. To ensure the charity's sustainability, cash flow management, reserves management, investment management, and risk management are necessary. Charities can better achieve their missions when there is good financial management.

1. Introduction

Charities have a moral obligation to be good stewards of the resources entrusted to them. Good stewardship in charities encompasses being responsible for making financial decisions, not only to achieve current mission goals but also to preserve and enhance the financial resources available, to allow them to achieve and sustain their mission.

Poffley (2010) explained that there are three important components in managing charities' financial resources. They are good management processes, an appropriate internal environment, and a sound finance strategy. Good management processes refer to how the charity's board and management carry out its roles and responsibilities. Charities should work towards having an appropriate internal environment where the financial management system, fund accounting, conflict of interest policies, and performance management policies are in place. Lastly, charities need to have a sound finance strategy in place through good cash flow management, reserve management, investment management, and risk management.

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2. Roles and Responsibilities of the Board

The charity's board bears the ultimate responsibility for the financial stewardship of the charity. However, one of the fundamental challenges is that far too many board members and boards have a weak understanding of their roles and responsibilities. BoardSource, an American nonprofit organisation, has formalised the core roles and responsibilities of board members in the book *Ten Basic Responsibilities of Nonprofit Boards*, which is widely recognised as the definitive word on the role of a nonprofit board (Ingram, 2015).

These are the 10 basic responsibilities of nonprofit boards (Ingram, 2015):

- 1. Determine the organisation's mission and purpose.** It is the board's responsibility to create and review a statement of mission and purpose that articulates the organisation's goals, means and the primary constituents served.
- 2. Select the Chief Executive.** Boards must reach consensus on the Chief Executive's responsibilities and undertake a careful search to find the most qualified individual for the position.
- 3. Provide proper financial oversight.** Boards must assist to develop the annual budget and ensure that proper financial controls are in place.
- 4. Ensure adequate resources.** One of the board's foremost responsibilities is to provide adequate resources for the organisation to fulfil its mission.
- 5. Ensure legal and ethical integrity and maintain accountability.** Boards are ultimately responsible for ensuring adherence to legal standards and ethical norms.
- 6. Ensure effective organisational planning.** Boards must actively participate in the overall planning process and assist in implementing and monitoring the goals that are set.
- 7. Recruit and orient new board members and assess board performance.** All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate its own performance.
- 8. Enhance the organisation's public standing.** A board should clearly articulate the organisation's mission, accomplishments and goals to the public and garner support from the community.

9. Determine, monitor and strengthen the organisation’s programmes and services. It is the responsibility of the board to determine which programmes are consistent with the organisation’s mission and monitor their effectiveness.

10. Support the Chief Executive and assess his or her performance. A board should ensure that the Chief Executive has the moral and professional support he or she needs to further the goals of the organisation.

Note:

Adapted from “Board Responsibilities and Structures - FAQ”, by BoardSource, 2016. Retrieved from <https://boardsource.org/resources/board-responsibilities-structures-faqs/>. Copyright by BoardSource. Reproduced with permission.

2.1 Code of Governance for Charities and Institutions of a Public Character

In Singapore, the Code of Governance for Charities and Institutions of a Public Character (2017) serves as a guide of the best practices that charities and Institutions of a Public Character (IPCs) can adopt to improve their effectiveness, transparency, and public accountability.

The Code gives clear guidelines on the authority and duties of a board and each of its committees for areas such as Audit, Finance, Fundraising, and Investment. It caters to small to large charities, and its recommendations are tiered according to the charities’ size and status (i.e. IPC or non-IPC).

The Code operates on the principle of comply or explain. Table 1 presents the Principles for Good Charity Governance. Charities are encouraged to comply with these nine principles to achieve good charity governance.

<p>Board Governance</p> <p>Each charity is run by a group of individuals called the board. Members of the board are people elected or appointed based on the rules of the charity's governing instrument. The board is collectively responsible to ensure compliance with the charity's governing instrument and all relevant laws and regulations. The board makes sure that the charity is run well and operates responsibly, so that the charity would continue to be effective, credible and sustainable.</p>
<p>Conflict of Interest</p> <p>Board members and staff are obliged to act in the best interests of the charity. Clear policies and procedures should be set, and measures be taken to declare, prevent and address conflict of interest. Any clashes between individual duty and charity objectives should be managed properly.</p>
<p>Strategic Planning</p> <p>A charity is set up to achieve certain aims for the benefit of the society and its members. The vision and mission of the charity should be clearly expressed and the charitable work carefully planned and implemented.</p>
<p>Programme Management</p> <p>The programmes and activities conducted by a charity determines the charitable work that the charity sets out to accomplish. They should be carefully planned, tracked and reviewed to ensure that they are relevant to the mission and vision of the charity.</p>
<p>Human Resource and Volunteer Management</p> <p>Human resources are important assets of any charity. Therefore, a charity should have policies in place for staff and volunteers who run its operations and programmes.</p>
<p>Financial Management and Internal Controls</p> <p>A charity should have sound financial management and comply with applicable laws and regulations, to ensure that its resources are used legitimately and can be accounted for.</p>
<p>Fundraising Practices</p> <p>A charity should ensure that its fundraising activities are transparent and ethical. It should account to its donors on what, how and when funds would be used. The charity should also be prudent in engaging third-party fundraisers.</p>
<p>Disclosure and Transparency</p> <p>A charity should be transparent and accountable in its operations. The charity should provide information about its mission, structure, programmes, activities and finances, and be responsive to requests for information.</p>
<p>Public Image</p> <p>A charity should build an image that is consistent with its objectives.</p>

Table 1: Principles for Good Charity Governance

Note:

Adapted from "The Code of Governance for Charities and Institutions of a Public Character", by The Charity Council, 2017. Retrieved from <https://www.charities.gov.sg/manage-your-charity/Day-to-Day-Operations-of-Charity-IPC/Documents/Code%20of%20Governance%20for%20Charities%20and%20IPCs%20%282017%29.webversion.pdf>. Copyright by The Charity Council, 2017. Reproduced with permission.

For boards and management to fulfil their financial management duties and responsibilities, charities need to put in place a sound financial management system. This should encompass financial reporting, detailed reviewing of the charity's finances, and basic financial policies and procedures. It is insufficient for a board to delegate these key components of financial management to the treasurer or a Finance Subcommittee (Centre for Charity Effectiveness, 2009).

2.2 Developing a Financial Management System

Underpinning all financial management systems is a series of financial policies and procedures, which guide operations and lay out how charities use and manage its money (Centre for Charity Effectiveness, 2009). Having a manual for financial procedures helps to establish financial controls within the organisation, to ensure accuracy, timeliness, and completeness of financial data.

There is no one-size-fits-all manual for financial procedures. Each charity will have to customise its financial management system to meet the needs and structure of the particular organisation (Joy, McKenzie, & Rotheroe, 2013). The manual is generally used by finance staff, but it can also act as a reference for the board and management.

The Centre for Charity Effectiveness (2009) provided six guiding principles for developing a financial management system. They are:

- i. Consistency
The board and management of charities need to ensure consistency in their financial policies.
- ii. Accountability
To be accountable, charities need to be able to explain and demonstrate how their resources have been used to all stakeholders.
- iii. Transparency
To ensure transparency, charities need to be open about their operations and make information available to all stakeholders.
- iv. Integrity
The board and management are expected to operate with honesty and propriety.
- v. Financial Stewardship
Charities need to be good financial stewards by being accountable and ensuring that the financial resources are used for the intended purpose.
- vi. Accounting Standards
The organisation's documentation and financial records must meet external accounting standards.

Furthermore, according to the Centre for Charity Effectiveness (2009), a sound financial management system should fulfil several objectives. Firstly, the financial management system should meet the management's needs. Secondly, the staff should be able to use and benefit from the system. Lastly, a good financial management system should enable effective decision making.

3. Accountability, Disclosure and Transparency

Charities are held to a high standard of accountability and transparency and are required to comply with accounting and reporting standards, to preserve the public trust. They must adopt proper accounting practices and financial procedures to be good stewards of the resources entrusted to them and to use these resources effectively and efficiently.

Some donations and grants from donors may come with restrictions on their use. To demonstrate good stewardship, charities should appropriately track and report on funds based on donor-imposed restrictions. Under the Charities Accounting Standards (CAS), a charity is required to adopt fund accounting, which is elaborated in Section 3.2. Charities could consider adopting financial reporting requirements in accordance with the CAS.

3.1 Presenting a Charity's Accounts and Annual Report to Stakeholders

As mentioned in Section 2.1, it is vital for a charity to remain publicly accountable for its funds by presenting comprehensive financial accounts and reports (Scott, 2008). This requires proper tracking of the charity's finances and assessment of the charity's accounts. Members of the public, donors, and stakeholders typically examine several key components of the charity's financial performance report: annual report, performance on fundraising, administration cost, executive pay, and reserves.

In an annual report, a charity should detail its achievements and explain any considerable financial transactions that occurred throughout the year, so that readers and donors can understand its performance. The annual report gives readers insights into the charity's mission, the sources of its funding (such as reserves, investment, and grant-making) and its key policies.

Many charities engage in a variety of activities in order to raise funds. As some fundraising streams for charities may require significant investment or may have high risks, charities should also include information on how fundraising is conducted and the outcomes of such activities.

A well-run charity would spend money on administration efficiently. Without good administration, there is a high chance of resource wastage in activities that do not generate good results. Thus, it is imperative that charities track what works well for them in order to properly allocate financial resources.

In line with the values of transparency and accountability, charities should disclose the aggregate pay of their key management staff or senior management team and explain their remuneration policy.

Many charities would have committed expenditure and held reserves for emergencies. A charity's reserves policy should explain why the charity needs to hold reserves, describe the level of reserves required, state the actual level of reserves held, and explain any variation between the target and actual reserves. The reserves may be expressed in the number of days that the amount held in the reserves would fund.

Although volunteer services is not considered an incoming resource, charities should also explain how the charity benefits from volunteer support; for instance, how the organisation uses its pool of volunteers and the extent of their volunteering in terms of the number of volunteers, the roles they perform, the number of hours or days, and the value of their time.

3.2 Fund Accounting

Besides a basic system for financial reporting, fund accounting⁶ should be incorporated into a charity's financial management system. In fact, fund accounting is a key feature of charity accounting (Ong, 2019). Fund accounting is applied to help charities keep track of various donations and how they are used, by setting up different funds to account for different donations. Each fund is maintained independently from another.

Through fund accounting, charities would be able to track the income, expenditure, and balance for each fund separately. The board and the management are required to report the financial status of the different funds in the charity's statement of financial activities and balance sheet, which are presented in the charity's annual report.

Therefore, fund accounting ensures better accountability to donors and stakeholders through the proper administration of individual charitable funds. This is essential so that the charity's board and management do not act in breach of trust (Charities SORP, 2016).

⁶Fund accounting is not straightforward. Charities need to be clear of the restrictions for each individual fund, so that they can account for each fund correctly. For more details on fund accounting, read *What you can and can't do with your charity's money: Making sense of fund accounting* (Stewardship, 2017).

3.3 Conflict of Interest Policies

Board members have an important role in the life of a charity and must act in its best interests. A conflict of interest occurs when personal interests are in conflict with a board member's responsibility to act in the best interests of the charity (Australian Charities and Not-for-profits Commission, 2016).

An example of a conflict of interest is related-party transactions that have been improperly handled. This is especially common when there is a financial deal which involves either a board member or a staff member. Such conflict of interest transactions are in fact quite common. It is the manner in which the board and the management deal with the transaction and disclose the conflict that determines the propriety of a decision or transaction (Sim, Loh, & Teo, 2017).

Given the risks and responsibilities, a written conflict of interest policy is strongly recommended. Keeping the board and relevant stakeholders informed of financial transactions with insiders is a basic risk management step that can protect an organisation time and again. Accountants can play an important role to help more charities put such procedural checks and balances in place (Sim, Loh, & Teo, 2017).

3.4 Performance Measurement

Social service organisations (SSOrgs) today operate in an environment permeated by expectations of measurement (Hailey & Sorgenfrei, 2004). It is important for the board to understand the main purpose of the charity and how it could deliver its strategy to achieve that purpose.

Sayer Vincent (2016) provided four key questions to assist the board in assessing their organisation's financial health and performance. The four key questions are:

- i. Does the charity have a diverse range of income sources?
- ii. Does the charity hold large reserves?
- iii. Does the charity explain its fundraising performance?
- iv. Does the charity explain its impact?

According to Sayer Vincent (2016), charities should possess diversified income sources. Charities that rely on a single source of income are vulnerable to risks. Without a large reserve to compensate, these charities are unable to respond effectively during a crisis.

Meanwhile, charities that possess large reserves should have a policy that explains the reason for the reserves and plans for excess amounts. If possible, charities should account for their fundraising performance. One indicator that charities can use to measure their fundraising performance is the return on investment on a particular project or activity, ideally over a period of time. Charities can evaluate their output performance using a combination of quantitative and qualitative data. For example, charities can determine their impact and output by measuring the number of beneficiaries reached, funds used, and/or how effective their programme was in achieving its objectives.

To enable the board and management to use their time efficiently and productively, there should be an internal information system that generates statistics to track the charities' key performance indicators (KPIs). A customised KPI mechanism will provide a practical and useful way for the board to discharge their stewardship responsibilities and monitor the charity's efficiency.

There are two financial monitoring methods. The first method is key financial ratio analysis and the second method is predetermined financial policies versus actual financial performance (Scott, 2008). The board and management can use key financial ratio analysis to assess the charity's financial health. If these ratios are used effectively, they can help to identify the charity's internal strengths and weaknesses. Alternatively, the board and management can monitor by checking the charity's financial performance against predetermined financial policies.

There are accounting software tools available to strengthen charities' information technology infrastructure, to allow them to track and report cash flows more efficiently. For example, charities can invest in an Enterprise Resource Planning system that utilises and integrates their resources, people, programmes, assets, knowledge, and technology, throughout the organisation. Such a system can improve donor, member or constituent relationship management, streamline the delivery of services, and reduce inconsistencies between development, programme and fiscal data (Riess, 2012). The right technology can make a charity's financial management system more efficient and advance its mission.

The Charity Navigator (2016) assesses not-for-profit organisations in the United States based on their efficiency against a series of indicators shown in Table 2. They include programme expenses, administrative expenses, and fundraising expenses. Many of these indicators are straightforward to set up and use. Board members can use these internal indicators as a foundation, projected over a number of years, to set parameters for future performance. These are also common indicators that donors and funders use to assess how efficient the charity is managed.

Programme Expenses	This refers to the percentage of total functional expenses spent on programmes and services.
Administrative Expenses	This refers to the percentage of total functional expenses spent on management/general.
Fundraising Expenses	This refers to the percentage of total functional expenses spent on fundraising.
Fundraising Efficiency	This refers to the amount a charity spends to raise \$1.
Primary Revenue Growth	This refers to the growth of grants and contributions, revenue generated from programmes and services, membership fees and dues, over the past three to five fiscal years.
Programme Expense Growth	This refers to the growth of programme expenses over the past three to five fiscal years.
Working Capital Ratio	This ratio determines how many years a charity could sustain its level of spending using only its net liquid assets.

Table 2: Charity Navigator Ratings

Note:

Adapted from "How Do We Rate Charities' Financial Health?", by Charity Navigator, 2016. Retrieved from <https://www.charitynavigator.org/index.cfm?bay=content.view&cpid=35>. Copyright by Charity Navigator, 2016. Reproduced with permission.

Performance measurement for charities should go beyond the financial; it can encompass aspects like social impact measurement. Chapter 6 of this book, in particular Section 2 Performance Measurement and Section 3 Social Impact Measurement, provides a more comprehensive explanation of performance measurement for nonprofits.

4. Ensuring a Charity's Sustainability

Good financial management is crucial to any charity's longevity and accountability (Sim, Loh, & Teo, 2017). It is essential in helping charities achieve its objectives and fulfil its commitments to stakeholders, be accountable to donors and other stakeholders, make effective and efficient use of its resources, and prepare for long-term financial sustainability.

It is the duty and responsibility of a charity's board and management to ensure that the charity has a good financial management system in place. This comprises several processes—risk management, reserves management, and investment management.

4.1 Cash Flow Management

The board and management need to examine the charity's management accounts, budget, cash flow forecasts, business plans, and strategy for a detailed review of the charity's finances (Joy, McKenzie, & Rotheroe, 2013). It is important for management and board to have a good understanding of the charity's income, expenditures, and cash flow, so that they manage the charity's budget realistically, to weather the unexpected changes throughout the year (Centre for Charity Effectiveness, 2009).

Although management is responsible for preparing the yearly budget, the board is legally responsible for approving the annual budget. Budget preparation should be the joint responsibility of both the finance and non-finance staff (Ong, 2018). Non-finance staff can bring in their own areas of knowledge and expertise which ultimately contributes to creating realistic and informed budgets. Cash flow forecasts allow the board and management to have a more reliable understanding of the charity's cash flow issues. Business plans will highlight any significant changes in operations that may require additional resources.

4.2 Reserves Management

Charities should build up their operating reserves as a safeguard against cashflow uncertainty. However, there is a thin line between having the right amount of cash in one's reserves to prevent cash flow deficits, and stockpiling too much capital (Sim, Loh & Teo, 2017). The charity's board and management need to understand the importance of building sufficient reserves for the charity's future and determining the appropriate level of reserves. The following box story highlights the importance of maintaining reserves for charities.

Box Story 12 Kids Company

This box story is prepared by CSDA. It features Kids Company, and demonstrates the need for charities, regardless of their size, to maintain reserves.

Founded in 1996, Kids Company focused on providing emotional support to underprivileged children living in England and Wales. Working with over 50 educational institutions, Kids Company provided an array of services that included arts therapy and counselling.

Reserves and Investment Practices

At its peak, Kids Company served more than 36,000 beneficiaries. It depended heavily on Central Government Funds and celebrity donations. This pooled in enough for the charity to raise more than £42 million over its 20-year lifespan. However, despite overwhelming support, Kids Company maintained next to no reserves throughout its operation. Instead, by running on a demand-led model, Kids Company's workers swore to never reject any child who approached the charity for help. As a result, every dollar Kids Company received was spent almost immediately.

From 2009 to 2013, Kids Company's income increased by 77%. However, its expenses rose by 72%. The abysmal reserves Kids Company possessed could barely cover two weeks' worth of operational expenses. There was no plan to beef up reserves despite constant warnings from auditors, and

Kids Company found itself in a perpetually vulnerable state financially. Kids Company's lack of reserves left them incapable to deal with any inconsistencies in funding, and any dips in donations or grants put Kids Company at risk for insolvency (Charity Commission for England and Wales, 2015).

In 2015, Kids Company was hit by allegations of sexual misconduct that proved to be the final nail in the coffin. The scandal tarnished Kids Company's clean reputation and funding slowed to a trickle. Coupled with the absence of reserves, Kids Company was forced to cease operations. At least 1,900 youths receiving mental health care were directly affected by the abrupt closure (Charity Commission for England and Wales, 2015).

Importance of Reserves and Investment Policy

Two main lessons can be drawn from Kids Company's collapse (House of Commons, 2016).

First, having reserves allow charities to address black swan events that cause sudden and unpredictable gaps in funding. Reserves allow charities to tide over a period of uncertainty until they get back on their feet.

Furthermore, reserves can also be used to make up for cash inadequacies, giving charities the capacity to capitalise on time-sensitive opportunities.

Kids Company, for all the good that it had done, was struck down immediately by a breeze of changing seasons, highlighting the undoubted necessity of a cushion that reserves provide.

In Singapore, the Code (2017) recommends that each charity develop and disclose its reserves policy, including information about restricted and endowment funds, in their annual reports (Charity Council, 2017). All charities with gross annual receipts or a total expenditure of S\$500,000 and above and all IPCs are legally mandated to abide by this clause (Charity Council, 2017). The Reserves Management of the Code is reproduced in Figure 1.

RESERVES MANAGEMENT

6.4.1a The charity should maintain some level of reserves to ensure its long-term financial sustainability.

6.4.2: The charity should ensure that **restricted funds** and **endowment funds** are set up solely for clear and justifiable needs.

The charity should make sure that these funds are used or transferred to other funds only after getting the permission of the donor to do so.

The charity must inform prospective donors of the:

- Purpose of the funds; and
- Amount of funds needed.

For existing restricted and endowment funds, the charity must disclose the **purpose, size and planned timing of use** for these funds.

6.4.3: If the charity invests its reserves, it should do so in accordance with an **investment policy** approved by the board. It should also obtain advice from **qualified professional advisors** if deemed necessary by the board.

Figure 1: Guidelines for Reserves Management.

Note:

Adapted from "The Code of Governance for Charities and Institutions of a Public Character", by The Charity Council, 2017. Retrieved from <https://www.charities.gov.sg/manage-your-charity/Day-to-Day-Operations-of-Charity-IPC/Documents/Code%20of%20Governance%20for%20Charities%20and%20IPCs%20%282017%29.webversion.pdf>. Copyright by The Charity Council, 2017. Reproduced with permission.

The charity's board and management need to understand that the purpose of the reserves policy is to inform the public and its stakeholders on how the charity manages its financial resources (Ministry of Culture, Community and Youth, n.d.). By developing a comprehensive reserves policy, the board can provide assurances to the public and its stakeholders that the charity is well-managed and has the ability to balance the needs of current and future beneficiaries. As charities grow their reserves, it is important to highlight that they may be caught in a dilemma of deciding on an appropriate level of reserves. Low reserves could alarm stakeholders while high levels of unjustified reserves could potentially invite suspicion over the misappropriation of funds (Australian Charities and Not-for-profits Commission, 2016).

To set an appropriate reserves level for a charity, the board and the management need to have a good understanding of the charity's financial needs by analysing the charity's cash flow, its existing funds and reserves, future income, and expenditure (Ministry of Culture, Community and Youth, n.d.). Besides the cash flow analyses, the board and

management need to assess the charity's future needs, opportunities, contingencies, or risks. With this information, the board and the management can be better prepared to develop a reserves policy that addresses the charity's current and future financial needs.

A reserves policy helps charities to define and set goals for reserve funds. It provides the requirements for monitoring and reporting of the reserves and clearly states the process of authorisation for the use of reserves (Sim, Loh & Teo, 2017). Without an established reserves policy, charities run the risk of having insufficient funds in times of need. According to the Ministry of Culture, Community and Youth (n.d.), a reserves policy should cover:

- i. the amount of reserves as at the date of the charity's report;
- ii. the reserves level as expressed in the ratio of reserves to annual operating expenditure;
- iii. steps that the charity is going to take to establish or maintain reserves at the agreed level; and
- iv. the arrangements for monitoring and reviewing the policy on a regular basis.

4.3 Investment Management

In accordance to The Code, charities are required to develop and draft an investment policy that is to be approved by its board. It is also highly recommended for the board to seek professional advice on its investment policy (Charity Council, 2017). To this end, charities can take reference from the CFA Institute's Investment Management Code of Conduct for Charities (CFA Institute, 2010). It provides guidance on the board's role in managing a charity's investment. The charity's board has a fiduciary duty to invest with reasonable care, prudence and good faith.

A fundamental philosophy underpinning investment management is the prudent investor rule⁷. When investing, it is necessary for the board to use the prudent investor rule as a yardstick in order to carry out its duty. In applying the rule, charities should minimise financial risk while diversifying income streams through investment.

It is essential that the charity's board and management have the financial literacy to

⁷ The prudent investor rule urges stewards to "observe how men of prudence, discretion and intelligence manage their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income, as well as the probable safety of the capital to be invested." (Harvard College v. Amory, 1830).

understand their charity's finances, so that they can manage their resources appropriately (Centre for Charity Effectiveness, 2009). By understanding their internal environment, charities can develop appropriate finance strategies that will generate income, to ensure that they can provide continuous service to beneficiaries (Tan, 2018).

The board needs to establish a middle ground between mobilising finances for the sake of current beneficiaries and keeping sufficient funds to keep the charity sustainable. During this process, the board should only act in accordance to what they have been authorised to do. The board should not invest reserves in companies that violate the moral principles of their beneficiaries.

Charities can also take reference from a local charity on how to better manage their investments. The box story below is a case study on YMCA (Singapore) on how they have implemented a structured and effective investment management system.

Box Story 13 Young Men's Christian Association (YMCA)

This box story is prepared by CSDA, based on an interview with Mr Tan Heng Khuan, the General Manager of Finance for YMCA.

Established in 1902, the YMCA of Singapore is a volunteer-based Christian organisation that seeks to serve and impact all members of the community, regardless of race, language, or religion, through programmes, services, and enterprises to develop the body, mind, and spirit (Young Men's Christian Association of Singapore, 2019).

YMCA is driven towards developing the heart-ware for Singapore through its programme and service infrastructure. In 2017, YMCA Community Services Programme segment mobilised 6,676 volunteers who dedicated more than 39,630 hours of service to touch lives and lift the spirits of 9,307 beneficiaries, and these include the intellectually and physically challenged, underprivileged children, the hearing impaired, the elderly, and the poor.

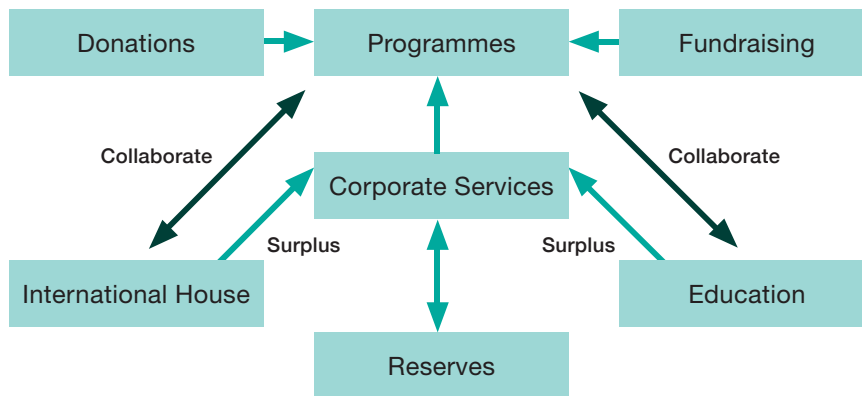
Mr Tan discussed the experience of YMCA in managing their reserves through investment, and illustrated how YMCA has managed its core challenge of serving its beneficiaries and maintaining its supply of reserves.

Q: How does YMCA allocate an appropriate level of reserves? Are there any challenges that your organisation faced in the process and how did you resolve them?

As a charity, YMCA's core mission is to uplift the community through its Programmes arm. To this end, surpluses from its Social Enterprises, along with donations and fundraising from the public, would be dedicated to YMCA's core mission (see figure below). There is a need to balance YMCA's commitment to its beneficiaries with the need to maintain our reserves.

After funding the Programmes, balances that arise from time to time from Social Enterprises will be channelled first to the Capital Replacement Fund, based on the prescribed formulae. The remainder will then be channelled to General Reserves.

Two-Pronged Approach For Financial Stability



(Source: Young Men's Christian Association)

It is important to maintain a fine balance between dedicating YMCA's resources to its core community work and retaining funds for capital replacements and general reserves. While there is an established framework that guides decision-making by the board and management, specific formulae are not permanent and may be refined if deemed necessary from time to time.

Nevertheless, the setting of the Programmes Budget along with the apportionment of Reserves is a critical matter put forth to the board by the management on an annual basis. YMCA believes that robust discussions, guided by established frameworks, ensures that critical decisions are made with the best information available and aligned with the core mission of YMCA.

Q: Does YMCA make a distinction between how it deals with surplus cash and reserves?

It is important to focus and build on existing resources in any organisation. This mode of thinking is especially important to a charity, which is reliant on public support and serves as a channel of blessing to the community.

In years where YMCA's Social Enterprises are doing well, it makes good financial sense to retain some of the resources generated as reserves. This mode of thinking supersedes that of categorising line items, such as surplus cash.

Once the reserve pool is set up, it allows the organisation to establish a framework of growth and prudent stewardship.

Q: What does YMCA invest in?

YMCA is open to investing its reserves at acceptable risks, based on prevailing investment guidelines. It recognises the difference between value investment versus trading and speculation. It also prioritises the preservation of liquidity, as reserves are ultimately a resource pool to be tapped on in times of need.

Recognising its own limitations, YMCA recently appointed an external professional asset manager to handle the bulk of its reserves. Based on YMCA's investment guidelines, the independent external asset manager invests in equities, real estate investment trusts (REITs), and fixed income accordingly.

Q: What are some of the challenges that YMCA has faced in the process of building up reserves?

We have two ongoing needs — (i) monitoring the performance of the professional asset manager, and (ii) ensuring that the appointed manager is aligned with YMCA's investment philosophies and liquidity needs.

Q: Why is it important for charities to invest?

First, it makes common financial sense to put aside savings for a rainy day. Second, this is especially critical to charities like YMCA, which are dependent on public support to run long-term programmes benefitting vulnerable segments of community. Third, businesses can fold but should charities run out of funding, their beneficiaries, which need help the most, would suffer. Hence, having a policy of setting aside reserves for capital and operating expenses is a must, followed by a framework for growing such reserves through investments.

Q: What are some important considerations for charities to note when investing?

In addition to the risk-return trade-off and liquidity considerations, YMCA is also mindful of its social responsibilities and its Christian values not to invest in industries that are contrary to its values—e.g. gambling and tobacco industries.

Q: Why is it important for charities to allocate reserves?

Regulatory requirement dictates that specific funds need to be carved out of reserves for donations and fundraising activities received for specific causes.

Capital replacement fund caters for capital maintenance and replacement requirements in order to keep the fixed assets in good working order.

Reserves need to be kept at a level that enables our Programmes arm to continue in the event of depressed economic conditions. In fact, it is during challenging economic conditions that our Programmes become more important as they serve the community.

Q: What roles do your charity's Chief Executive Officer, Chief Financial Officer, the Board and Investment Committee play in its reserves and investments?

This is how the following entities within YMCA operate:

i. The Board

Our Board of Directors bears the overall responsibility of carrying out the core mission of YMCA. As mentioned, this would include the setting aside and growth of reserves in a prudent, responsible fashion.

ii. Management

The Board appoints the Management to handle the day-to-day running of reserves and investments. The Management needs to be familiar with financial and investment matters and consult with the Board and other entities where necessary.

iii. The Investment Committee

The Investment Committee, which is a group of directors and advisers selected based on their professional experience and aptitude, advises the YMCA Management. The Committee represents the board and works hand in hand with the Management to ensure that existing investment frameworks are kept refreshed and fine-tuned. It considers recommendations put forth by the Management to the board on reserves and investment matters, so that such matters would be thought through robustly from a professional standpoint, before being put forth to the Board for approval.

4.4 Risk Management

Achieving financial security requires the board and management to have a good understanding of the charity's accounts because it provides a good overall view of the charity's financial health and reveals any potential major risks (Joy, McKenzie & Rotheroe, 2013).

There is no single model of risk management for charities. Instead, the specific model of risk management adopted should depend on the charity's financial model and the risks they face.

A survey done by Charity Council, KPMG (Singapore), and the National University of Singapore Business School (2017) found that charities face three major common areas of risks funding, accounting and reporting, and compliance:

- i. Funding risks happen when a charity is unable to meet short-term financial obligations due to decreases in funding.
- ii. Accounting and reporting risks occur when inaccurate or unreliable data is used for financial and accounting reporting, resulting in material misstatements in financial information.
- iii. Compliance risks occur when there is a conflict of interest, or when charities fail to follow industry-accepted codes and practices.

The survey also found that the top challenges respondents faced in implementing and conducting risk management activities were:

- i. a lack of experience or expertise in risk management (79.3%);
- ii. insufficient human resources to carry out risk management activities (70.3%); and
- iii. insufficient financial and technical resources to implement risk management practices (59%).

Despite possible limitations in human, financial, and technical resources, charities are encouraged to build an effective Enterprise Risk Management (ERM) Framework to manage their risks (Charity Council et al., 2017), as shown in Figure 2. Having a structured approach and framework is important for charities to manage their risks successfully. Charities are encouraged to refer to the full report for the complete ERM Framework. The ERM Framework equips charities with the necessary guidance to manage the common risks that charities face (Charity Council et al., 2017).

Risk Strategy	ERM direction and objectives typically set by the board and management
Risk Governance Structure, Roles and Responsibilities	Allocation and establishment of risk-related responsibilities, accountabilities and structure across the charity
ERM process, tools and templates	Guidelines and tools to conduct and document the ERM process
Risk Reporting Requirements	Protocols and format to report key risk information to the board and management

Figure 2: Components of the ERM Framework.

Note:

Adapted from "Enterprise Risk Management Toolkit for Charities and Institutions of a Public Character", by Charity Council, KPMG and NUS Business School, 2017. Retrieved from <https://www.charitycouncil.org.sg/en/Home/Announcements/-/media/6CC9D24D372E43ACB98B071C9225BEE8.ashx>. Copyright by Charity Council, KPMG and NUS Business School 2017. Reproduced with permission.

5. Conclusion

Boards and management of charities need to exercise good financial stewardship through the prudent management of their financial resources. To do so, a charity's board and management need to maintain accountability, disclosure, and transparency to ensure the charity's financial sustainability.

Financial management goes beyond simply keeping accounting records. It is an essential part of organisational management and cannot be seen as a separate task that is left to finance staff or the honorary treasurer. Financial management involves the planning, organising, controlling, and monitoring of financial resources. A robust financial management system needs to be in place and has to be incorporated into a charity's day-to-day operations, to help the charity be accountable and achieve its mission strategically.

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Chapter 5

Fundraising and Philanthropy in Singapore— Changing Landscape and Future Direction

by Usha Menon⁹ and Isabel Sim^a

This chapter offers an overview of the changing landscape and future direction of fundraising and philanthropy in Singapore. It examines the ways in which the landscape is changing, online fundraising, and the future direction of fundraising and philanthropy. Four interviews were conducted with leaders in the social service sector to provide insights on Singapore’s development in fundraising and philanthropy. The first box story is an interview with Mr Phillip Tan, Chairman of Community Chest. This is followed by the second box story with Ms Melissa Kwee, CEO of National Volunteer & Philanthropy Centre (NVPC). Mr Keith Chua, Chairman of Advisory Board of Asia Centre for Social Entrepreneurship & Philanthropy (ACSEP) was interviewed in the third box story. Lastly, Community Foundation of Singapore (CFS) is featured in the fourth box story to explain how CFS promotes philanthropy in Singapore.

1. Overview

Social service organisations (SSOrgs) rely largely on donations from individuals and corporations, as well as grants from the government to carry out their mission. They need to be accountable to these stakeholders on how funds are used.

Rapid advances in technology are changing fundraising and philanthropy in fundamental ways (Arrillaga-Andreessen, 2015). Given the changing fundraising and philanthropy landscape, SSOrgs need to maintain higher standards of accountability and transparency in their usage of funds. To remain relevant, SSOrgs must transform and reinvent themselves, and be effective and efficient in their fundraising efforts.

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2. Changing Fundraising and Philanthropy Landscape

Charities are highly dependent on external funding such as donations and fundraising income to sustain themselves financially (Sim, Menon, Loh & Hoe, 2016). To have a better understanding of Singapore's fundraising and philanthropy landscape, this section covers the discussions on charity governance and changing donors' behaviour.

2.1 Charity Governance

To encourage the public to donate and support charities' fundraising efforts, the Singapore government has played an indispensable role by providing a generous tax exemption policy. The government grants tax relief to donors that give to charities with Institutions of a Public Character (IPC) status. IPCs are registered charities which can issue tax deductible receipts for qualifying donations to donors (Charity Council, 2018c). This allows donors to claim tax relief from their assessable income based on the amount donated, at the prevailing deduction rate, making IPCs generally more appealing to donors.

Good governance is an important criterion for the public to decide whether to donate or volunteer their services to a charity. To promote good governance and self-regulation among charities, the Charity Council has developed a framework and guideline to promote good charity governance (Charity Council, 2018a). The Code of Governance for Charities and Institutions of a Public Character sets out principles and best practices in key areas of governance and management that charities are encouraged to adopt (Charity Council, 2018b). To cater to an increasingly discerning public, charities need to adopt the hallmarks of good governance. Charities with IPC status are held to a higher standard, both in regulatory compliance as well as governance (Charity Council, 2018c).

2.2 Changing Donors' Behaviour

NVPC⁸ conducts a biennial Individual Giving Survey⁹ (IGS) to find out how people in Singapore give, in terms of volunteerism and philanthropy. The 2016 IGS, which 389 Singapore residents and non-residents aged 15 years and above participated in, revealed three key findings:

- i. The rate of donation has been declining progressively over the years; however, total donation to organisations has almost doubled.

The 2016 donation rate of 76% was a drop from 83% in 2014 and 89% in 2006. However, those who donate gave more. The average donation per donor has increased over two-fold, from S\$379 per donor in 2014 to S\$910 per donor in 2016.

- ii. There has been a rise in informal donation, where donors give without going through any organisation.

Informal donations have increased from 13% in 2014 to 41% in 2016. The survey revealed that donors are taking more initiative and seeking more meaningful engagement opportunities, such as taking the initiative to approach organisations or to attend charity events. In line with this trend, more donors are making decisions in advance as to which organisations to give to, with the proportion increasing from 24% in 2014 to 38% in 2016.

- iii. Online donations have become increasingly popular.

More than a quarter of Singaporeans, or 28%, have made their donations through online channels in 2016, a significant increase from 9% in 2014.

In summary, these findings from IGS 2016 revealed changing donor motivations, particularly in the rise of a new group of pro-active donors. SSORgs need to be aware of these changing motivations and respond to the rise of pro-active donors. Increasingly, donors are seeking meaningful engagement opportunities and prefer to give in the form of informal donations that do not go through any organisation. In responding to this changing philanthropy landscape, SSORgs' boards and managements need to make strategic changes to improve their fundraising efforts.

⁸ The National Volunteer & Philanthropy Centre (NVPC), a nonprofit organisation that aims to promote a giving culture in Singapore through catalysing development in volunteerism and philanthropy, conducts research on giving motivations and behaviours and creates roadmaps and landscapes of the giving sector (National Volunteer & Philanthropy Centre, 2018a).

⁹ For detailed results of IGS 2016, refer to NVPC's Individual Giving Survey 2016: Media Huddle Sharing at <https://d1qt9fkyno54tz.cloudfront.net/docs/resources/Individual-Giving-Survey-2016-Findings.pdf?mtime=20171028000150>

Considering these developments, charities may have to leverage technology and innovation to enhance fundraising and donor engagement. In the following box story, Mr Phillip Tan, Chairman of Community Chest (ComChest), shares his insights on how ComChest is responding to the changing fundraising landscape in Singapore.

Box Story 14

Interview with Mr Phillip Tan, Chairman of Community Chest (ComChest)

This box story is prepared by CSDA, based on an interview with Mr Phillip Tan, Chairman of ComChest. Mr Phillip Tan has been the chairman of ComChest since 2013, and was the Vice-President of the National Council of Social Service board from August 2006 till July 2018. He was conferred the Meritorious Service Medal in 2017 and is currently the Chief Financial Officer of CityState Capital Asia Pte Ltd.

ComChest is the fundraising and engagement arm of NCSS and the largest fundraiser in Singapore's social service sector. Mr Tan shared about ComChest's efforts to leverage technological innovations in its fundraising and donor engagement and its efforts to promote corporate volunteerism.

Q: How is ComChest utilising technology in its operations?

At ComChest, we use digital technology for the building of relationships with donors while boosting the ComChest brand in the process. We have enhanced our website for better user interface while being mobile responsive. Digital technology enables us to communicate better with our donors while keeping them informed about the impact of their donations.

ComChest has also invested in a new Client Relationship Management system, which generates insights regarding donor behaviours, to enable better decision-making. This helps to make the fundraising process more efficient.

With NCSS co-leading the SG Cares Movement with Ministry of Culture Community and Youth (MCCY) and NVPC, ComChest has used technology

to engage volunteers. From the development of an e-mapping mobile application for potential volunteers to look for volunteering opportunities around their area to accessing e-volunteering modules, technology is utilised as a tool to reach out to donors and volunteers to contribute to the social service sector. We are also piloting an Artificial Intelligence-enabled chat platform to enhance the brokering approach in driving volunteerism and delivering greater impact through meeting the needs of SSOrgs.

Q: What other innovations are ComChest adopting?

Innovation and reliability are important elements of ComChest's fundraising infrastructure. We are looking into innovative ways to engage new and current donors, such as through social media, online fundraising, and crowdfunding. These platforms provide ComChest with new opportunities to fundraise and engage stakeholders.

ComChest is focusing on digital, electronic, and mobile fundraising methods to scale fundraising efforts and achieve measurable impact. By embracing technology and its accompanying changes alongside pilot testing, it helps us to gauge the feasibility and scalability of emerging channels of fundraising.

Here are some examples of our pilot projects in 2018. For our 35th anniversary charity TV show which raised more than S\$10 million, ComChest leveraged technology for online fundraising through a mobile QR code and website to effectively engage the community. Donors could scan the QR code on the TV screen and donate via the PayLah! application. Also, for the first time, participants of Heartstrings Walk 2018 could use their mobile phones to scan and donate directly to ComChest via PayNow.

Q: What is ComChest doing to position itself as a leader in the fundraising sector?

Being the largest fundraiser within the social service sector, ComChest strives to position ourselves as the one-stop Corporate Social Responsibility partner to corporates, with end-to-end holistic donation as well as volunteerism support and stewardship. By anchoring on a donor

stewardship framework and leveraging the strong relationships, networks, and goodwill forged with corporates, we have curated opportunities to encourage the channelling of resources to the sector.

An example would be our collaboration with Singtel Future Makers, a social innovation programme that cultivates social entrepreneurs who are keen on leveraging technological innovation in addressing social causes in Singapore. This partnership has enabled ComChest to support innovation that can transform the lives of the vulnerable in our community.

Another example would be ComChest's partnership with the Ministry of Education to increase the awareness of the Sharity Programme and nurture the values of caring and sharing in our next generation of givers.

Q: How does ComChest enhance its brand?

The ComChest brand is strengthened through innovative storytelling and content creation, coupled with an integrated communications strategy.

One example is the SHARE as One publicity campaign to enhance the branding of SHARE, our regular giving programme, so that it will continue to stay relevant in the giving landscape. This entails outsourcing and collaboration with strategic partners to develop creative perspectives and content aligned to trends in the marketplace.

ComChest has also curated a series of human interest stories and videos on giving and volunteerism to share on various platforms such as digital, print, and out-of-home media. By partnering like-minded partners in the community such as SMRT Corporation Limited, ComChest has enhanced our branding through multiple channels and optimised our publicity efforts to connect donors to our cause.

Q: Are traditional methods of fundraising, such as direct mail, still relevant?

Traditional methods of fundraising, such as events and direct mailers, are still viable modes of donation despite being more resource-intensive. They are a stable source of donations, especially for initiatives launched during festive seasons.

The adoption of newer and more innovative methods of fundraising does not mean that traditional methods become obsolete. Instead, we need to assess the initiatives' objectives and tweak the fundraising method to match available resources, current donor behaviours and expectations.

One example is our partnership with Singapore Power. In understanding the needs of the social service sector, Singapore Power has supported ComChest in our fundraising campaign through direct mailers and improved our direct mailers' donation efficiency. To encourage holistic caring and sharing, Singapore Power's staff also volunteer in several ComChest events.

Q: Besides fundraising, how does ComChest encourage volunteerism in Singapore?

Philanthropy and volunteerism are two key pillars to the culture of giving. ComChest proactively engages corporates in nurturing a culture of giving and volunteer participation through the SHARE as One programme.

We also encourage volunteerism through our yearly signature fundraising events, like Fu Dai and Heartstrings Walk, to bring together people in the community with a desire to give back to society. These events also allow SSOrgs to engage volunteers to understand and support their causes.

Under SG Cares, ComChest is partnering SSOrgs to enhance volunteer participation, such as through systematic role re-designing in social service programmes and strengthening of volunteer networks.

3. Online Fundraising

In the area of fundraising and philanthropy, technology can transform the nature of giving. Digital fundraising is fundraising using digital technology, with online fundraising being the most prominent form (National Council for Voluntary Organisations, 2017).

The following section provides discussion on the increasing popularity of online fundraising and donations, its risks, and new measures taken to safeguard against fraud and abuse.

3.1 Rising Trend of Online Fundraising

The findings from IGS 2016 revealed that online donation has been a rising trend (National Volunteer & Philanthropy Centre, 2017). With the increasing popularity of online donations, it is important for SSOrgs to leverage online fundraising as a fundraising method in advancing their mission.

Indeed, with the rise of online fundraising platforms, donations may increasingly be carried out through contactless terminals. Online platforms are convenient ways for donors to support charities and beneficiaries. This presents great potential to cultivate a giving society in Singapore. It may therefore be beneficial for SSOrgs to have alternative channels for their online fundraising efforts. Two popular online fundraising platforms are Giving.sg and GIVE.asia.

Built by NVPC, Giving.sg (<https://www.giving.sg>) is the largest online portal for donating, volunteering and fundraising outreach. As of Jan 2019, there are 170,000 registered users and 518 charities using the platform and it has raised over S\$140 million donations and 145,000 volunteer sign-ups (Giving.sg, 2019). Its value lies in combining technology and human-centred design to provide a giving experience that is simple, meaningful, and fun. It increases ad-hoc giving by making it easy to give and grows them into regular giving by making it fulfilling.

Besides Giving.sg, another popular online fundraising platform is GIVE.asia (<https://give.asia>). It is an online peer-to-peer fundraising platform, where fundraising campaigns can be created for individuals, groups, and organisations to raise funds for charities or personal causes (GIVE.asia, 2018).

While SSOrgs should be open to adopting technological innovations, they need to also keep abreast with the possible drawbacks of technological advancement. Ms Melissa Kwee, CEO of NVPC, shares her insights on how technology can enhance fundraising in the social service sector and the risks that accompany online fundraising in the following box story.

Box Story 15

Interview with Ms Melissa Kwee, CEO of National Volunteer & Philanthropy Centre (NVPC)

This box story is prepared by CSDA, based on an interview with Ms Melissa Kwee, CEO of NVPC.

NVPC is a nonprofit organisation that promotes the culture of giving in Singapore through catalysing development in volunteerism and philanthropy to build a City of Good.

Q: What is the role of technology and innovation in fundraising?

Technological innovation and advancement are shaping our future—not just in philanthropy but in our everyday lives. With technological innovations such as immersive experiential technology, cloud computing, big data, Internet of Things, and digital payments, our everyday lives have been and will continue to be transformed.

Technological innovation has the ability to increase accessibility and transparency of information, and the ability to acquire data at the speed, depth, and scale that we have never experienced before. Such advancements enable and empower masses to take action through immediate channels. With increased access to available information, this means that we now have new gateways to do good.

Q: What are some risks and challenges of using technology for fundraising?

Data Privacy

Advancement in innovative technology carries perils and fears. In the book *Sapiens*, Yuval Noah Harari (2015) predicts the inevitability of digital

dictatorship, as personal data such as biometric data becomes more easily collected. This means that data collecting platforms, institutions, states, and corporations have absolute power in terms of how they wish to use or control information.

Apart from encroachments on data privacy, there are other safety concerns in the digital space. In the context of online giving platforms, a large volume of personal and transactional data is collected. There is a possible risk that the owners of data transmission platforms may lose control over personal data they have collected, as these platforms which hold a wealth of data may be a prime target for hackers.

Good regulatory structure provides a foundation and boundaries to guard against data infringement issues. But above and beyond that, self-regulation by the community is essential to reinforce the government's regulatory policies and in turn strengthen community ownership and trust. Through the Commissioner of Charities' recent gathering of online donation platform owners to agree on a common set of self-regulations, we see a great example of the government taking on the role to set the stage for community actors to come on board. This allows for the community to uphold a common set of self-regulation values, instead of setting a rule and imposing it on the general public. Such a foundation creates a safe space for community actors to continue being pro-active, leading to an eco-system that can now be self-sustaining.

Digital Divide

The increasing digital divide within donor groups, specifically between savvy and non-savvy individuals, could be a potential challenge to those on the receiving end of donations. The remedy would be to build capacity on both ends—ensuring a user-friendly experience and integrating giving into everyday life by lowering barriers to entry. This can include tapping existing online platforms such as Facebook that are already being used on a regular basis.

It is worth acknowledging that while integrated giving can be a solution, we risk becoming transactional. The risk of clicktivism as a phenomenon is high. A key to avoid and alleviate such circumstances is to provide donors with human stories and anecdotes of how their support has uplifted and positively impacted those whom they have touched. At NVPC, we like to call stories data with a soul.

Human stories have the ability to personally connect donors to communities. When donors start to witness progress and tangible impact on lives they have given to, ownership arises, contributing to an increase in social capital within the community. This positive emotion and social capital will enable the cycle of giving, and in turn reduces its transactional nature.

3.2 Online Fundraising—Risks and Regulations

In her article New Code of Practice for Fund-raising Efforts Online, Tan (2018) highlighted online fundraising's growing popularity and size. More individuals in desperate situations have been using crowdfunding sites to seek help. Observers say there is potential for abuse of crowdfunding, as those seeking funds may end up providing inaccurate or incomplete information about themselves.

There are numerous reports of suspicious activities on some of the online fundraising platforms (Tan, 2018). These cases diminish the credibility of crowdfunding websites and raise doubts about whether the original intent of donations could be achieved if crowdfunding sites do not take sufficient measures to guard against fraud. They also underscore the need to regulate crowdfunding platforms.

Given the increasing sums raised through crowdfunding sites, the Government introduced a Code of Practice for Online Charitable Fundraising in January 2018 to boost transparency and accountability¹⁰. This is to address the public's call for more regulation of crowdfunding websites. The Code consists of a set of best practices for online fundraising platforms to follow, to ensure a high level of trust and integrity in the charity sector (Hong & Tan, 2017).

¹⁰ The Code of Practice for Charitable Online Fund-Raising Appeals is available on the Charity Portal via this link: <https://www.charities.gov.sg/Fund-Raising/Online%20Fund-Raising%20and%20Code%20of%20Practice/Pages/Code-of-Practice.aspx>

According to Tan (2018), fundraisers, including individuals and charity organisations that use the platforms to raise funds, need to provide donors with accurate information, maintain proper records of donations, and use donations according to the intended purpose.

The Code of Practice for Online Charitable Fundraising states that crowdfunding platforms need to ensure the public can assess the following information:

- i. proper records of donations received;
- ii. regular updates of funds collected;
- iii. a total of the funds collected after the fundraising appeal has ended;
- iv. indication of fees charged, or cut taken from the sums raised; and
- v. information of past, present and ongoing fundraising appeals.

The crowdfunding platforms must also put in place systems and processes for early fraud and mismanagement detections, and ensure the legitimacy of appeals.

4. Fundraising and Philanthropy in Singapore— Future Direction

To respond and adapt to the changing environment, SSOrgs can look into three main areas concerning fundraising. Firstly, SSOrgs need to leverage technology in their fundraising efforts. Secondly, SSOrgs can partner businesses to achieve greater social change. Finally, it is crucial for leaders of SSOrgs to chart the strategic direction of the social service sector.

4.1 Use of Technology for Fundraising and Philanthropy—Pros and Cons

The social service sector faces a future that looks nothing like the past. As articulated by Arrillaga-Andreessen (2015), technology now reaches people who might never have thought of themselves as philanthropists, engaging a new generation of change makers. Harnessing technology could dramatically increase the fundraising capability of SSOrgs.

Arrillaga-Andreessen (2015) highlights technology's impact in four broad areas:

i. Greater Access to Information

Technology opens up vast reserves of information that helps SSOrgs achieve effective philanthropic decision-making. Moreover, technology enhances donor engagement by enabling SSOrgs to provide detailed and timely feedback on how they use donors' money, helping givers to see the impact of their gifts.

ii. Greater Access to Networks

Technology enables the building of networks among donors, SSOrgs and beneficiaries. Technology not only enables donors to interact directly with beneficiaries, but also powers collective giving by allowing individual givers to pool their resources online in virtual giving circles.

iii. Lower Barriers to Entry

Technology levels the playing field by allowing SSOrgs of all backgrounds and resources to scale up their solutions, increase efficiency, and share resources through the online sharing economy.

iv. Lower Barriers to Innovation

By allowing SSOrgs to tap into the wisdom of others, technology facilitates the development of innovative giving strategies. Online social networks are transforming the way that SSOrgs and individual philanthropists collaborate with one another.

However, a significant challenge posed by the rapid adaption of technology for fundraising is the growing digital divide between SSOrgs. Arrillaga-Andreessen (2015) highlights that having access to technology and using it for good are two different things. Charities which are fast to catch on to new technologies could leverage them to advance their fundraising cause, benefiting tremendously from the ease, speed, and scale that technology brings. However, there is a segment of the social service sector who may be more accustomed to the traditional ways of raising funds through labour intensive events and activities such as flag day and volunteers with tin cans. These SSOrgs lack the internal capability and capacity that enable them to leverage technology. This will cause them to lose out on the gains that technology brings and risks widening inequalities within the social service sector.

The digital divide is not limited to charities. It can also exist among donors, as some are reluctant or unable to adapt to technological changes. As the social service sector moves towards adapting technological innovations in its philanthropy efforts, it should keep in mind the challenges technology may bring to some. The social service sector should make efforts towards helping society advance together as a whole.

As the act of giving moves towards digital platforms, more efforts are needed to enable donors to relate to the mission and vision of SSOrgs to sustain social change. The fundamental essence of fundraising lies in the building of relationships with donors and volunteers. These relationships enable increased retention of donors and volunteers with SSOrgs. In the long run, the trend of giving without the human touch may result in the loss of the relational nature of giving and may result in negative repercussions for social capital at large.

Box Story 16

Interview with Mr Keith Chua, Chairman of Advisory Board of Asia Centre for Social Entrepreneurship and Philanthropy (ACSEP)

This box story is prepared by CSDA, based on an interview with Mr Keith Chua, Chairman of Advisory Board of ACSEP. Mr Keith Chua set up the Mrs Lee Choon Guan charitable fund with the Community Foundation of Singapore (CFS) in 2011 and made education and healthcare some of the key areas it supports (Community Foundation of Singapore, 2018). Mr Chua has served as Executive Chairman of ABR Holdings since 2004. He is also on the boards of NCSS and CFS.

In this box story, Mr Chua shared his insights on philanthropy and reflected on the changing fundraising landscape in Singapore. Drawing on his personal experience as a volunteer fundraiser, he encouraged SSOrgs to engage their donors and volunteers and expressed his hope for Singapore to become a model for grassroots philanthropy where everyone can give.

Q: What are your thoughts on fundraising in Singapore?

Much has evolved in the fundraising landscape in Singapore in recent decades. Technology is wonderful in helping SSOrgs adapt to new developments.

By leveraging the Internet, charities have additional channels for donations. This can be a game changer for fundraising. We are all trying to fundraise in a very limited space, and I have felt that it has not been a level playing

field. For example, some charities do not have equal access to mainstream media. If we shift fundraising to an online platform, everyone stands an equal chance.

However, online fundraising can pose challenges to the accountability and reliability of fundraising activities. Donors can easily visit and verify the bona fide of a charity in Singapore. But this is not the case when the charity is situated outside of Singapore. There are no easy answers to this challenge. While the Internet is a place for tremendous good, it is equally a hotbed for opportunists of every kind.

The social service sector is evolving rapidly by leveraging fast-moving technology. We must not lose the human touch. The significance of the work by SSOrgs lies in the contribution they make to the lives of those being helped, and this is almost always by way of the human touch.

Personally, I am very keen to see Singapore become a model for grassroots philanthropy. I use this phrase every opportunity I get—everyone can give. Moreover, SSOrgs in Singapore need to facilitate the growing interest in giving—not just of money, but also of time and talents.

Q: How can SSOrgs enhance donor and volunteer engagement?

Donor engagement often stems from specific interest or emotive reasons. Relationships between donors and charities remain a key factor in philanthropy, and donors will continue to give to the needs that engage them. Through enhanced donor engagement, SSOrgs can improve their fundraising efforts.

In my personal experience of working with persons recovering from mental health issues, I have found personal stories of recovery to be very compelling. SSOrgs can share their beneficiaries' stories to nurture their relationships with donors. Online platforms are a great space for charities to share their stories to engage their donors.

I believe that we can do more in direct engagement of volunteers in Singapore. I was disappointed that some SSOrgs dissuade volunteerism

due to the perception that volunteers are a distraction to service delivery. I hope we can encourage continued engagement of volunteers in the social service sector and address issues such as the volunteers' lack of commitment and lack of training.

Service providers need a team with both compassion and skills. Volunteers are a vital component of the social service sector. They complement social service professionals to deliver quality service to the beneficiaries.

Q: Do you have any comments regarding funding for charities in Singapore?

Financial accountability is a key area of concern in recent years. I believe we now have an adequate and robust Charity Governance framework. However, smaller SSORgs may find some of these requirements onerous. It is a cause of concern, as some smaller SSORgs may have limited resources to meet some of the compliance requirements.

In recent years, funding for charities is provided in one- to three-year tenures with no guarantee of continuity, although funding for credible service providers is often renewed. Naturally, some SSORgs, especially those that provide services which are longer term in nature, find the short funding cycle challenging. We need to work together with these SSORgs to develop a more sustainable funding model, so that both depth and quality of services are incorporated in their funding model.

The funding of overheads is another area of concern. Many private donors avoid funding overheads. Very often, donors are inclined to fund programmes only. It does not help when many charities publicise that all donations that they receive go entirely towards their programmes. This creates the wrong impression that funding for overheads is secondary to the charity's operation. In fact, the general public in Singapore needs to understand that overheads are an essential part of a charity's operation. Charities need funding to pay for their overheads.

4.2 Social Service Organisations' Partnerships with Businesses

Besides adopting online fundraising, SSOrgs are encouraged to work together with corporations in the private sector to achieve greater social change.

The Company of Good (COG) programme was introduced in June 2016 to raise a new tier of corporate leaders who are business-minded and civic-minded. The COG programme was developed by NVPC in partnership with Singapore Business Federation Foundation (SBFF) and MCCY (National Volunteer & Philanthropy Centre, 2018b). The programme empowers businesses operating in Singapore to give in strategic, sustainable, and impactful ways.

The COG programme is part of NVPC's vision to drive corporate giving in Singapore and make goodness the business of every organisation. It helps convert non-givers into givers and encourage companies that already give to become multipliers and leaders of good (National Volunteer & Philanthropy Centre, 2016). The Company of Good Fellowship and the Champions of Good are part of the COG programme.

The Company of Good Fellowship is a talent development programme that empowers and builds capabilities in leadership and corporate giving. Fellows receive guidance from mentors, gain access to a network of like-minded people and experts, and sharpen their business perspectives. Additionally, to encourage businesses to collaborate with SSOrgs, NVPC launched the Champions of Good to recognise the good companies do and inspire other companies to do the same. The award gives annual recognition to companies that have been exemplary in their individual corporate giving efforts and have influenced their stakeholders to engage in collaborative giving.

Besides the COG programme by NVPC, CFS also works closely with donors in the private sector to promote philanthropy. Since 2008, CFS has also disbursed S\$65 million to over 400 charities. As of October 2018, CFS has raised S\$130 million in donations through 115 donor-advised funds under its charge. The next box story shows how CFS works as a collaborator helping both charities and donors.

Box Story 17

Promoting Philanthropy in Singapore—Community Foundation of Singapore (CFS)

This box story is provided by CFS. The box story shares how CFS promotes philanthropy in Singapore and how it goes about investing and managing donors' funds.

CFS is a nonprofit organisation founded in 2008 to encourage and enable philanthropy in Singapore. It is a registered charity with IPC status. The charity helps donors set up and manage their charitable funds, matches donors' interests with causes, and offers ways for donors to make a greater impact through their charitable funds. CFS collaborates with charity partners to identify programmes that support diverse communities. Their purpose is to enable real and meaningful change while inspiring a philanthropic culture in Singapore. More information can be found at www.cf.org.sg.

Matching Donors with Charities

CFS's funds consist mainly of donor-advised funds. CFS works with donors to identify their interests and philanthropic objectives. From there, CFS collaborates with charity partners to align the donor's areas of interest and objectives to suitable programmes that respond to the needs of the community.

CFS safeguards the grants made from its donor funds through performing due diligence analysis on charity partners, programme evaluation, output as well as outcome reporting.

Investment of Funds

CFS has established an Investment Committee (IC) that manages the endowment funds (thereafter known as 'the Fund') established by donors in the interest of the beneficiaries.

The IC is responsible for developing the investment policy. The investment policy is reviewed regularly by the IC and approved by the board. The IC

is chaired by a board member with professional investment experience. The Fund's overall investment objective is the long-term preservation of its purchasing power—that is, to grow the principal amount at Singapore's rate of inflation. This is to ensure that the Fund is able to fund their immediate and future activities.

The investment guidelines for the Fund include the investment universe, liquidity of investible assets, the use of leverage, and derivatives and asset allocation limits. In terms of investment strategy, it allocates a portion of the portfolio to assets that provide an income stream for near-term needs. The other portion of the portfolio is allocated to assets to achieve long-term growth. The objective is to grow the net asset value of the endowment funds, so that the investment income will grow in line with inflation.

The IC is responsible for determining the annual spending rate for the endowment funds. This rate is approved by the board. The rate is reviewed periodically to take into account the long-term investment environment.

To assist CFS in the investment process, the IC is authorised to review and select external fund managers (EFMs). When selecting an EFM to manage the Fund, the IC takes into consideration these five areas: the organisation, investment process, performance, compliance, and costs. The selection criteria for each of these areas are explained below.

i. Organisation

The key professionals' experience, skills, and qualifications, as well as the organisational structure, ownership structure, and incentive structure of the fund management company.

ii. Investment Process

The EFM's investment approach, philosophy, consistency of process, and competitive advantage. The EFM's approach to risk measurement and risk control will also be taken into consideration.

iii. Performance

The EFM's historical performance versus relevant benchmark(s) and versus their peers.

iv. Compliance

The EFM's regulatory filings, back office and operations procedures, as well as their in-house code of ethics and personal trading rules.

v. Costs Review

The key business terms and structure versus industry standards and the fees and expenses charged by the EFM.

The IC monitors the EFM's management and performance. If the IC loses confidence in the EFM's investment strategy, the EFM will be reviewed, replaced, or terminated. The IC will also review, replace, or terminate the EFM when the characteristics of the portfolio no longer satisfy the desired or expected elements of the mandate or when the current style is no longer deemed appropriate.

4.3 Social Service Organisation Leadership

In light of the changing fundraising and philanthropy landscape, SSOrgs must evolve. Their management and boards must adopt a forward-thinking approach to develop new strategies to overcome these challenges. Board members, executive directors, and organisational leaders, together with fundraisers, have a distinct and defined role to play in advancing the work of SSOrgs (Menon, 2018). They play a critical role in the mobilising of resources needed for its mission.

Trust is the foundation of fundraising. It is an SSOrg's single most important asset. SSOrgs need to preserve trust to ensure continual support from donors and other stakeholders (Bryce, 2016). It is important to ingrain the concept of trust in SSOrgs' organisational cultures. SSOrgs need to build trust and nurture relationships with donors, funders, supporters, and volunteers. SSOrgs' boards and managements need to provide the tone at the top as these factors have a profound consequence on the ability to fundraise (Menon, 2018).

Fundraising is not just about the methodology. Strategic leadership is crucial in developing an organisational strategy that invests in the knowledge and skills needed to build a robust fundraising portfolio. Fundraising methods, strategies, and policies should be based on trend analysis, testing, mentoring and not just instincts (Menon, 2018).

Leaders of SSOrgs need to recognise themselves as a force for good in enabling the social service sector to adapt to times and to advance their mission. For SSOrgs to be future-ready, SSOrgs' boards and managements are encouraged to embrace these practices in their philanthropic outreach and fundraising operations:

i. Building Strong Networks

To enable them to advance their mission, SSOrgs need to build strong networks of board members, donors, and philanthropists. They will promote the charity's mission through their valuable gifts of voice and influence for the cause.

ii. Engaging Donors and Volunteers

To help donors and volunteers connect with the SSOrg's core values and mission, SSOrgs need to create meaningful ways to engage them. In return, donors and volunteers can offer their contribution of time and money.

iii. Keeping Up with the Times and Leveraging Technology

To respond to emerging trends in donor motivations and new technologies, SSOrgs need to adapt and modify their fundraising approaches.

5. Conclusion

Given the rapidly changing philanthropic landscape and tougher competition for funding and resources, SSOrgs need to have a sustained and diversified funding stream. To ensure sustainable funding in the long run, it is crucial that SSOrgs develop a strong fundraising capability.

To chart its future direction and fully embrace the changing landscape of fundraising and philanthropy, the social service sector needs to recognise both the emerging opportunities and their risks. SSOrgs' leaders play an important role in setting the strategic direction to keep up with changing donor behaviours and fundraising methods. Finally, SSOrgs must be aware of the risks and drawbacks that online fundraising may bring.

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Chapter 6

Developing High-Impact Social Service Organisations

by Isabel Sim^a, Alfred Loh^b and Teo Chee Khiang^c

This chapter examines how social service organisations (SSOrgs) can develop themselves to become high-impact organisations. It covers discussions on performance measurement, social impact measurement, and social innovation.

1. Doing Good Well

The goal for the social service sector, as envisioned in the National Council of Social Service (NCSS)'s Social Service Sector Strategic Thrusts (4ST), is to see every person empowered to live with dignity in a caring and inclusive society (National Council of Social Service, 2017a).

As envisaged in the series of studies on Quality of Life commissioned by NCSS, this would require the sector and SSOrgs to develop a strong support network to provide social care that is person-centred and holistic, to foster personal growth and independence, beyond the provision of material aid (National Council of Social Service, 2017b; National Council of Social Service, 2017c; National Council of Social Service, 2017d). To this end, the 4ST encourages SSOrgs to embrace innovation, sustainability, and collaboration.

In recent years, the world of nonprofit organisations, philanthropy, and social enterprise has been preoccupied with two powerful mantras — accountability and impact (Ebrahim & Rangan, 2014).

Firstly, the theme of accountability has been gaining traction. Funders, taxpayers, concerned citizens, and clients are demanding that nonprofits be more transparent about what they have achieved with the resources entrusted to them (Ebrahim & Rangan,

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2014). The importance of organisational accountability has also been enshrined in the Singapore Code of Governance for Charities and Institutions of a Public Character (Charity Council, 2017).

The discourse has more recently centred on the mantra of impact. This refers to the demonstration of results in addressing complex social problems such as poverty and inequality. This attention to impact, following on the heels of accountability, is mainly driven by funders who want to know whether their funds are making a difference or might be better spent elsewhere (Ebrahim & Rangan, 2014).

With donors and governments increasingly emphasising the need for effectiveness and sustainability, SSOrgs must endeavour to do good well. This chapter focuses on how putting in place appropriate and effective ways of measuring performance can improve the performance of SSOrgs. Eckhart-Queenan and Forti (2011) stress the importance of performance measurement, pointing out that organisations that measure to learn often find that they are able to do more for their beneficiaries with less money and are better able to adapt their programmes to changing circumstances faster and more effectively.

While the process of measuring performance may seem daunting, Eckhart-Queenan and Forti (2011) provide examples of organisations that have demonstrated clear benefits of performance measurement and suggest a framework for approaching it. Section 2 presents examples and a suggested framework.

Some organisations would be better off measuring shorter-term outputs or individual outcomes of their activities and programmes. Others may aspire to go beyond doing good well by demonstrating their long-term impact. Long-term impact is defined by Ebrahim and Rangan (2014) as “lasting changes in the lives of people and societies at large”. Section 3 thus introduces the concept of social impact and discusses the importance and benefits of social impact measurement.

Section 4 builds on a study by Grant and Crutchfield (2007) to provide insights for local organisations seeking to achieve high social impact. In that study, Grant and Crutchfield analyse 12 real-life high-impact nonprofit organisations in the United States and identify six common practices they employ.

Section 5 features local examples of organisations in the sector that have employed innovative methods in their operations to achieve noteworthy social impact. The conclusion is in Section 6.

2. Performance Measurement

There is a growing emphasis on intangible aspects of service delivery in Singapore's social service sector, such as the strengthening of individual dignity and social inclusivity. This means that impact will no longer be as easily measurable, with traditional metrics of efficiency and effectiveness. Traditional metrics overly focused on the hard numbers of service delivery can overlook other forms of equally important, but less tangible impact (Grant & Crutchfield, 2017).

Fortunately, measurement of impact need not be overwhelming. Eckhart-Queenan and Forti (2011) have observed from numerous existing entities that measurement can benefit organisations, irrespective of their size and stage of development.

2.1 Benefits of Performance Measurement

Eckhart-Queenan and Forti (2011) highlight several organisations that have successfully implemented performance measurement and enjoyed the benefits, such as better results for beneficiaries, rapid innovation, improved resource allocation, and lower programme costs.

These organisations include Goldman Sachs' 10,000 Women, a corporate initiative, One Acre Fund, an organisation that provides a comprehensive bundle of services to more than 30,000 one-acre farmers in East Africa at any one time, and Jumpstart, a Boston-based organisation that provides individualised mentoring and tutoring to pre-school children in low-income communities. The following box stories highlight the impact of performance measurement on these initiatives.

Box Story 18

Goldman Sachs' 10,000 Women

This box story is prepared by CSDA. It features Goldman Sachs' 10,000 Women initiative. This large-scale, multi-year investment initiative seeks to grow emerging economies by supporting underserved women entrepreneurs around the world. It does so by providing women with business education, mentoring, networking, and access to capital (Goldman Sachs, 2019). More information can be found at www.goldmansachs.com/citizenship/10000women.

To date, more than 10,000 women from over 56 countries have benefitted from the initiative. Eckhart-Queenan and Forti (2011) have credited part of its success to the use of performance measurement system, which has resulted in improved resource allocation as well as better results for beneficiaries.

Improved Resource Allocation

Since 10,000 Women is a large-scale initiative that works with more than 70 academic and nonprofit partners, its leaders find that making decisions about where and how to allocate resources is a constant challenge. The initiative's performance measurement system informs decisions about which countries, partnerships, and activities to invest in (Eckhart-Queenan & Forti, 2011).

For example, demographic and historical business growth data gathered from the first round of participants in 2009 showed that programme partners were having difficulty finding women who were both underserved and had growth potential. Goldman Sachs used this information to reallocate resources, increasing investments in local marketing and outreach activities, and in the process enabled partners to more easily locate women who meet the programme's selection criteria (Eckhart-Queenan & Forti, 2011).

Better Results for Beneficiaries

The performance measurement system also translates into better results for individual beneficiaries. A case in point is Ayodeji Megbope, one of the programme's alumni.

Megbope is currently the owner of a successful catering business No Left Overs Nigeria Limited. She completed the programme's 180-hour curriculum at Pan African University in 2008, where she learnt about business concepts that ranged from operations, sales, and people management. Putting knowledge into practice, No Left Overs began to grow but it continued to face cash flow constraints which prevented her from taking on larger orders.

The 10,000 Women performance measurement system, which tracked the business's usage of financial statements and bookkeeping methods (among other indicators), revealed that Megbope would benefit from additional counsel with regard to accounting. With that, the programme director at Pan African University, Peter Bamkole recommended that Megbope work with an accountant, who helped to strengthen her ability to project profits and cash needs (Eckhart-Queenan & Forti, 2011).

Armed with the additional knowledge, Megbope began to negotiate a more favourable billing schedule with her suppliers and clients, opened her first bank account, and created financial statements that allowed her to access capital. As a result, Megbope rapidly grew her business from US\$1,000 in monthly revenue before the programme to US\$16,000 today, and has hired seven additional full-time employees (Eckhart-Queenan & Forti, 2011).

Box Story 19

One Acre Fund

This box story is prepared by CSDA. It features One Acre Fund, a nonprofit social enterprise working with smallholder farmers in Sub-Saharan Africa to eradicate hunger and poverty. With about US\$3 million, the organisation provides a comprehensive bundle of seed, fertiliser, training, marketing, and insurance to more than 30,000 one-acre farmers in East Africa. One Acre Fund has developed a rigorous measurement system to measure their impact.

Eckhart-Queenan and Forti (2011) note that at any one time, One Acre Fund has 20 to 30 experiments underway to explore new opportunities that will increase the profit on each acre planted. These include testing different fertiliser configurations and adjusting the ratios of training staff to farmers. They note that the performance measurement system has encouraged rapid innovation as well as yielded better results for beneficiaries, among other benefits.

Rapid Innovation

One Acre Fund's leaders regularly gather data from the experiments, analysing and interpreting it to help them test, prototype, and quickly refine new approaches. As a result, the organisation is able to implement the best ideas and improvements in time for the next crop season (Eckhart-Queenan & Forti, 2011).

For instance, in their first season working in Burundi, the Measurement and Evaluation Department found that the reason for unsatisfactory harvest yields was a low level of farmer compliance with the organisation's farming methods (One Acre Fund, 2018).

Before the next harvest season, One Acre Fund sought to emphasise planting compliance by requiring that every farmer in their programme plant at least one model garden (100m² in size) using the ideal planting methods. Farmers began to notice the strong harvest results from the model garden and continued to replicate the ideal planting methods.

Better Results for Beneficiaries

One Acre Fund attributes the growth of their programme to the guidance of their measurement and evaluation practices. It showed how the 'model gardens' were performing better, and the amount of coverage they were attaining through the ideal planting methods in each operating area (One Acre Fund, 2018).

Ultimately, the positive impacts of innovation are most indelibly felt by One Acre Fund's clients. From near-to-zero improvements in farm profits, the Burundi farmers in One Acre Fund's programme now experience significant increases (72% in 2014) in farm profit per client (One Acre Fund, 2018).

Box Story 20

Jumpstart

This box story is prepared by CSDA. It features Boston-based Jumpstart which provides individualised mentoring and tutoring to pre-school children in low-income communities. They focus on language, literacy, and social-emotional programming. Today, Jumpstart has trained more than 45,000 college students and community volunteers, and has reached out to nearly 100,000 children beneficiaries. Jumpstart's programme is replicated across 14 states in the United States and the District of Columbia (Jumpstart, 2018).

Jumpstart tracks metrics extensively to demonstrate how the organisation is delivering on their mission (Bridgespan, 2004). With a clearly defined goal – to see an increase in the number of children ready for school (Jumpstart, 2018), the organisation is able to make managerial and resource allocation decisions to improve the quality of their services.

Lower Programme Costs

In 2002, senior leaders noticed that the organisation's overhead was too high, especially in Boston. The Boston site had twice as many staff members as other sites. Yet, the organisation's measurement system showed that Boston turned out similar numbers of children ready for school (Eckhart-Queenan & Forti, 2011).

Armed with this cost-per-outcome data, Jumpstart moved to bring staffing costs in Boston in line with other sites, while still maintaining the quality of its services. Jumpstart achieved economies of scale by serving more children out of the same home office; they managed to increase the number of kids served by 33%. This enabled them to cut costs per tutor-hour by 26% (Bridgespan, 2004).

2.2 Learning and Improving with Measurement: A Four-Part Lifecycle

Social sector leaders may find the concept of measurement and the intricacies of developing a measurement system they can feel confident about confusing. Indeed, with the growing emphasis in Singapore’s social service sector on intangible aspects of service delivery such as the strengthening of individual dignity and social inclusivity, outcomes will no longer be as easily measurable with traditional metrics of efficiency and effectiveness.

Eckhart-Queenan and Forti (2011) suggest that one way to cut through the confusion is to think about learning and improvement as a continuous lifecycle, and measurement as a tool that can help an organisation move through that lifecycle. These can be portrayed in four parts: Define, Measure, Learn, and Improve. As an organisation’s leaders get increasingly clear about the results they aspire to achieve and about what they need to do to achieve those results (Define), they are better able to figure out what information will tell them how they are doing (Measure), understand what works and what does not (Learn), and explicitly apply what they have learned to better their results (Improve).

Keeping this four-part lifecycle in mind not only helps leaders decide what to measure and why, but also helps them to decide what not to measure—an important factor in keeping measurement from becoming overwhelming and ineffective. Figure 3 presents the performance measurement lifecycle.

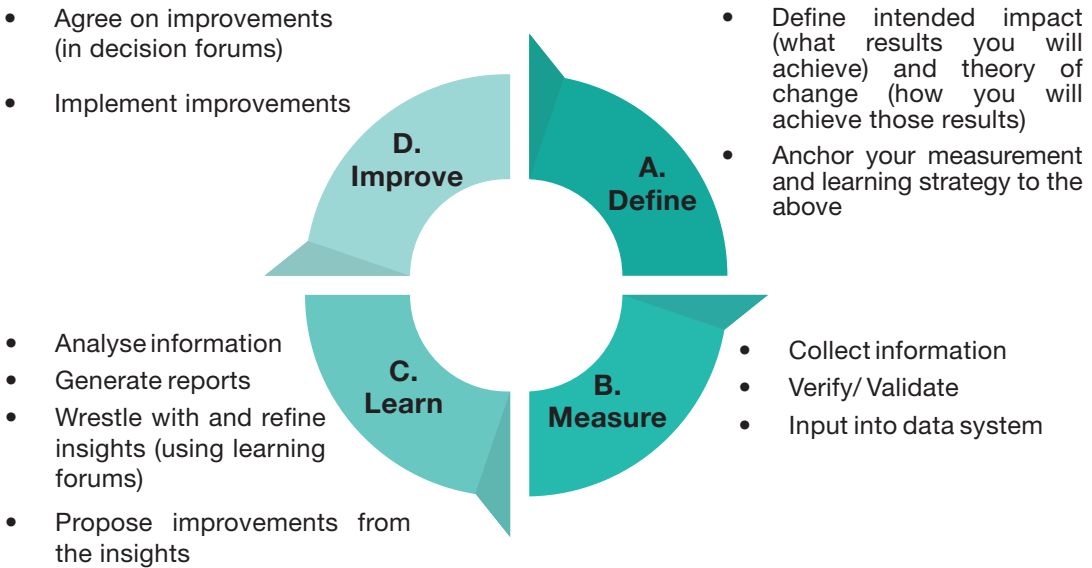


Figure 3: Performance Measurement Lifecycle.

Note:

Adapted from “Measurement as Learning: What Nonprofit CEOs, Board Members, and Philanthropists Need to Know to Keep Improving”, by Eckhart-Queenan J. and Forti, M., 2011. Retrieved from https://www.bridgespan.org/bridgespan/images/articles/measurement-as-learning/MeasurementAsLearning_1.pdf?ext=.pdf. Copyright by Bridgespan 2011. Reproduced with permission.

Having in place a performance measurement system is an important step for SSOrgs to improve accountability and to become more transparent about what they have achieved with the resources entrusted to them. With the growing attention for SSOrgs to deliver impact or demonstrate results in addressing complex social problems, such as poverty and inequality, the next step would be to measure the social impact of their activities and programs. This issue is addressed in the next section.

3. Social Impact Measurement

3.1 Defining Social Impact

Social impact can be broadly defined as a significant, positive change that addresses a pressing social challenge (Business+Impact, n.d.). The Centre for Social Impact (2018) narrows the definition to “the net effect of an activity on a community and the well-being of individuals and families”.

While each SSOrg can create positive change in society by delivering services essential to the well-being of the community, they can also work with and through organisations outside of themselves to create more impact than they ever achieve alone. They can achieve high impact when they build social movements and fields, transform businesses, governments, other nonprofits, and individuals; they change the world around them (Grant & Crutchfield, 2007).

3.2 Why Should Social Service Organisations Measure Social Impact?

SSOrgs today operate in an environment permeated by expectations of measurement (Paton, 2003). Yet, many SSOrgs today lack a proper understanding of what social impact entails (Stevenson-Dodd, 2017), which creates difficulties for SSOrgs in evaluating their effectiveness in meeting organisational goals and allocating resources (Epstein & Yuthas, 2014).

Understanding social impact through performance measurement is instructive in assessing how effective SSOrgs have been in achieving their goals (Mulgan, 2010). It helps SSOrgs to better achieve their mission and vision in two key ways: internally, more effective resource management; and externally, improved accountability to stakeholders.

Firstly, through social impact assessment, SSOrgs can more effectively evaluate their current resource management practices. Organisations that measure performance and utilise the data to refine their practices are better able to adapt their programmes to changing circumstances more efficiently and effectively (Eckhart-Queenan & Forti, 2011).

Secondly, being able to provide data on an organisation's social impact translates into good accountability, which demonstrates the legitimacy of an organisation's operations to its stakeholders (Connolly & Hyndman, 2013). Social impact assessment offers tangible evidence of an SSOrg's contribution to society. Service users and society at large will be more willing to trust that the organisation is operating responsibly (Epstein & Yuthas, 2014).

Furthermore, when donors are convinced that an organisation's funds are being directed to purposeful causes, it paves the way to a steady growth and flow of funding (Connolly & Hyndman, 2013).

3.3 Measurement of Social Impact

Measurement is a tool to help SSOrgs learn and improve. For many SSOrgs, measuring the organisation’s social impact and its dollar value is essential in demonstrating the value of its work. Measuring social change, however, can be a complicated business.

To begin with, it is important to differentiate between outputs, outcomes, and impact. The terms are often used mistakenly and interchangeably and can create confusion (Royal Bank of Canada, 2014). As Figure 4 below illustrates, impact is a more encompassing term that captures a greater range of the effects of an organisation’s activity.

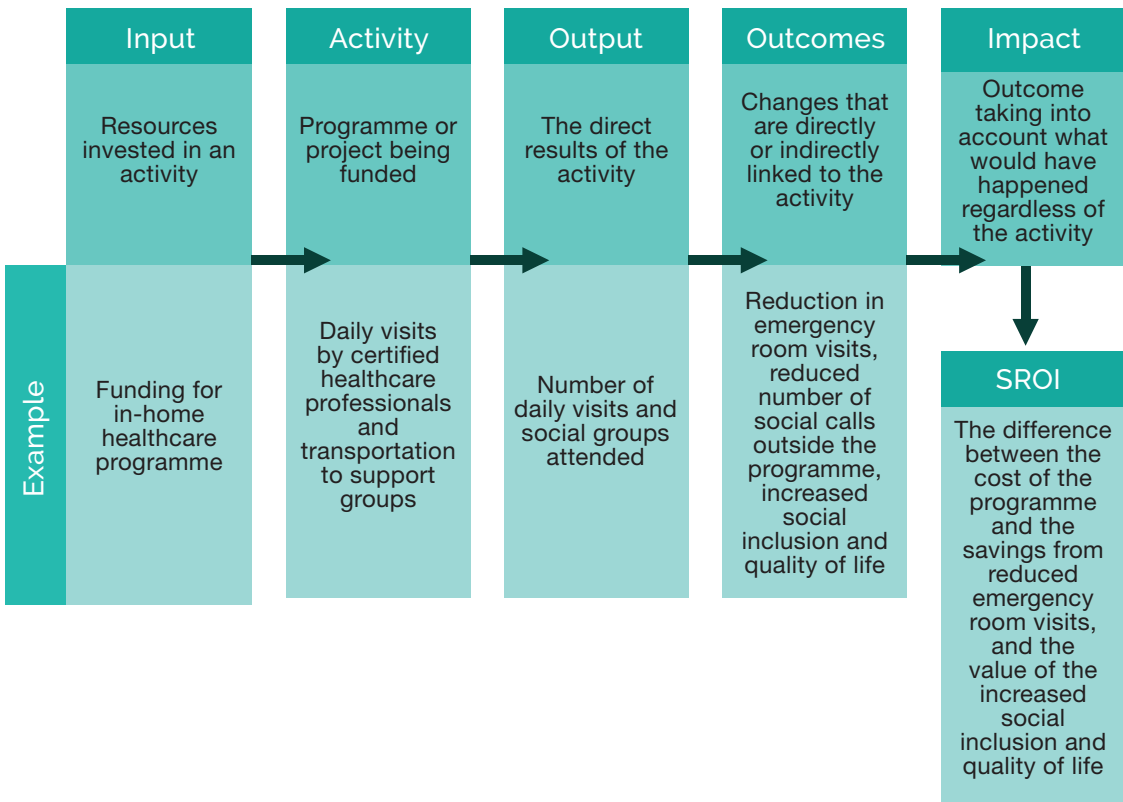


Figure 4: Impact Measurement

Note:

Adapted from “Financing Social Good: A Primer on Impact Investing in Canada”, by Royal Bank of Canada, 2014. Retrieved from http://www.rbc.com/community-sustainability/_assets-custom/pdf/Financing-Social-Good.pdf. Copyright by Royal Bank of Canada 2014. Reproduced with permission.

Different impact measurement frameworks have been designed to evaluate different attributes. Across the private, public, and nonprofit sectors, new performance measurement frameworks are constantly being developed to reflect their differing needs (Hailey & Sorgenfrei, 2004). Although there is currently no one-size-fits-all method to measure social impact due to the diverse nature of the social services (Maas & Liket, 2011), SSOrgs can select the approach most appropriate for their purposes, by being discerning of the wide range of methodologies available (Berg & Månsson, 2011).

One particular method of measurement, known as the Social Return on Investment (SROI) approach, measures the social, environmental, and economic outcomes of an organisation in terms of quantifiable monetary values (SROI Network, 2012). A more detailed understanding of how the SROI model works can be found in the SROI Network's 2012 publication *A Guide to Social Return on Investment*.

The SROI is a dynamic model that is constantly being refined and updated by leading organisations in the social service sector, and is presently the most well-known method of measuring social change (Berg & Månsson, 2011). It has become the approach most favoured by some governments and key policy organisations funders, as well as both the private and public sectors (Wood & Leighton, 2010).

The concept of an Impact Map is central to the SROI methodology. In short, the map evaluates how certain resources (inputs) are used to deliver activities (measured as outputs), resulting in outcomes for stakeholders. The SROI model helps to improve SSOrgs' services by helping them understand and maximise the social impact an activity creates. In so doing, it helps to target appropriate resources in managing expected outcomes. It also identifies a common ground between what organisations and stakeholders want to achieve, by facilitating strategic discussions (SROI Network, 2012).

Furthermore, an SROI assessment can raise the profile of an SSOrg towards potential donors. SROI helps investors visualise their role in financial values, presented in terms of investment/return ratios (Royal Bank of Canada, 2014). For SSOrgs, SROI makes their case for funding more persuasive to funding tenders.

The other measurement frameworks include Cost-Benefit Analysis and the Sustainability Reporting Framework. The various frameworks are not alternatives to one another; more than one framework may be required for effective measurement of an organisation's social impact (Ton, 2014).

4. Practices of High-Impact Social Service Organisations

Grant and Crutchfield (2007) have observed that lasting and profound social change happens when organisations look beyond themselves and find creative ways to enlist the help of others. They note that the secret to the success of high-impact nonprofits is their ability to mobilise every sector of society including government, business, nonprofits, and the public, to be a force for good.

A meticulous study of 12 high-impact organisations based in the United States led Grant and Crutchfield to distil six common practices employed to achieve extraordinary impact. These practices are outlined below as a handy guide for local SSOrgs aspiring to create high impact.

4.1 Master the Art of Adaptation

High-impact nonprofits are exceptionally adaptive, modifying their tactics as needed to increase their success. Some nonprofits are highly innovative but they fail to execute new ideas. Others, being too enmeshed in bureaucracy, lack creativity. What sets high-impact nonprofits apart is their ability to combine creativity with disciplined systems for evaluating, executing, and adapting ideas over time.

Grant and Crutchfield (2007) found that all 12 of the nonprofits have mastered the cycle of adaptation, which involves four critical steps:

- i. They listen to feedback from the external environment and seek opportunities for improvement.
- ii. They innovate and experiment by developing new ideas or improving upon existing programmes.
- iii. They evaluate and learn from their experiences. They then share these takeaways across the nonprofit network.
- iv. They continually modify and improve their programmes in a process of ongoing learning.

The art of adaption is a never-ending cycle that helps nonprofits increase and sustain their impact.

Mastering the art of adaptation is essentially a process of social innovation. It is important for SSOrgs to understand that social innovation is more than simply formulating novel strategies (Enel, 2018). While it may at times involve the creation of radical models and solutions, adapting and tweaking an old strategy to enhance its effectiveness is also a critical form of innovation (Grant & Crutchfield, 2007). Seen in this way, social innovation is also about optimising available resources.

The Center for Social Innovation (n.d.) defines social innovation as

“the process of developing and deploying effective solutions to challenging and often systemic social and environmental issues in support of social progress. Social innovation is not the prerogative or privilege of any organisational form or legal structure. Solutions often require the active collaboration of constituents across government, business, and the nonprofit world”.

4.2 Make Markets Work

High-impact nonprofits harness market forces for social change. They recognise that tapping into the power of self-interest and the laws of economics is far more effective than appealing to pure altruism.

Grant and Crutchfield (2007) have observed that high-impact nonprofits find ways to work with markets and help companies do good while doing well. More often than not, they are not limited by traditional notions of charity or by the perception that private businesses are adversaries. In so doing, they are able to embrace novel solutions to resource or operational constraints to achieve goals beyond their immediate capacities.

The high-impact nonprofits surveyed engage with markets in different ways. Some work with corporations to effect social change by changing business behaviour on a large scale. Others leverage markets by partnering with corporations to garner additional resources for their cause, or run their own small businesses to generate income that funds their programmes.

Social enterprises are organisations that apply commercial strategies to maximise improvements in human and environmental well-being and can be structured either for-profit or nonprofit (Tamara, 2015). These organisations combine the public service ethos with the innovation and dynamism of a business (Bland, 2006). A social enterprise operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives (Petrella & Richez-Battesti, 2014).

4.3 Nurture Nonprofit Networks

High-impact nonprofits nurture nonprofit networks and collaborate with other organisations to create a movement. Most nonprofits pay lip service to collaboration as they tend to view other groups as competition for scarce resources. But high-impact organisations help their peers succeed, building networks of allies, and devoting remarkable time and energy to advance their fields (Grant & Crutchfield, 2007).

The strategy is collaboration rather than competition. Recognising that it is in their self-interest, nonprofits freely share wealth, expertise, talent, and power with other nonprofits. They know they need to build a movement, not just an organisation. Innovative solutions often require the active collaboration of organisations across sectors.

In Singapore, SSOrgs can consider tapping on existing platforms to build a network. The Social Innovation Park (SIP) is one such platform that facilitates collaboration between various organisations across the 3P—People, Public and Private—sectors. The SIP seeks to bring positive innovations to lives and societies through cross-sector, high-impact collaborations, in order to build a more inclusive, sustainable, and mindful world (Social Innovation Park, 2018). The Centre for Healthcare Assistive and Robotics Technology (CHART) is another platform that allows healthcare professionals to work closely with other stakeholders in the industry to co-develop impactful healthcare solutions in assistive technologies and robotics. More on CHART can be found in Box Story 21.

4.4 Inspire Evangelists

A strong social service ecosystem is not just about building networks between organisations. Having a network of individual supporters is equally important. High-impact nonprofits inspire and build strong communities of supporters, who help them achieve their larger goals. They value volunteers, donors, and advisers not only for their time, money, and guidance, but also for their evangelism. These nonprofits create emotional experiences that help connect supporters to the group's mission and core values.

While Chapter 3 of this book offers a detailed account of how to optimise volunteer management, what Grant and Crutchfield (2007) have noted is the unique ability to rally volunteers in committed support for an organisation's specific cause. High-impact nonprofits nurture and sustain these communities of supporters over time, recognising that they are not just means but ends in themselves.

4.5 Share Leadership

High-impact nonprofits share leadership within their organisations and throughout their nonprofit networks to build enduring teams. Grant and Crutchfield (2007) observed that the high-impact nonprofits studied have strong leadership at the top, led by either a founder or a growth leader who has learned to share power.

Leaders of high-impact nonprofits cultivate a strong second-in-command, build enduring executive teams with long tenure and significant responsibilities, and develop large, powerful boards. They know they must share power to be stronger forces for good.

4.6 Serve and Advocate

Last but not least, high-impact nonprofits bridge the divide between service and advocacy. High-impact organisations may start out providing great programmes, but they eventually realise that they cannot achieve large-scale social change through service delivery alone. Many therefore incorporate policy advocacy to acquire support from the government. Other nonprofits start out by doing advocacy and later add grassroots programmes to supercharge their strategy.

At the end of the day, all high-impact organisations become good at both service delivery and advocacy. This is critical to their ability to create high impact. Advocacy and service reinforce each other: a nonprofit's grassroots work helps inform its policy advocacy, which in turn shapes legislations to be more relevant to its cause; advocacy at the national level expands a nonprofit's reach as its model has the potential to be replicated, increasing its legitimacy and acquiring funding for its expansion.

5. Social Innovation in Singapore

The following box stories cover topics that range from the importance of measuring social impact to how social impact can be achieved through social innovation.

Box Story 21

Lien Centre for Social Innovation

This box story is prepared by CSDA, based on an interview with Mr Jonathan Chang, former Executive Director of the Lien Centre for Social Innovation.

Mr Chang provided an overview of the development of social innovation in Singapore and shared his views on how SSOrgs can use social innovation as a tool for growth.

Q: What is social innovation?

Social innovation is an innovation within a sector. This can be the public, private, or social sector, with the aim of addressing a particular social issue or achieving social impact.

An innovation does not always need to be a new invention; it could be an improvement to an existing system. Perhaps, a social innovator sees an opportunity to improve on an existing solution to further increase its social impact and to make it more relevant to reflect the changing times. This is also considered a form of social innovation.

Q: What is social impact and why is it important?

More funders are interested in having some kind of impact assessment as part of their decision on whether or not to continue funding a project. Some funders even want to see projected impact assessment before they give any funding.

Q: Why is collaboration important?

At the Lien Centre for Social Innovation, we firmly believe that collaboration with entities across public, private, and social sectors is important. Project collaboration with entities across sectors is crucial as it allows SSOrgs to leverage skills and experiences, enabling them to scale up quickly. Through collaboration, SSOrgs are no longer limited by their resources and need not build everything from scratch. Collaboration also enables SSOrgs to be agile and lean in their organisational structure.

Q: How can SSOrgs engage in social innovation?

SSOrgs need to think beyond traditional funding streams such as donations and government grants. SSOrgs can consider embarking on new pilot projects on their own, so that they can build their own cash reserve and be less dependent on financial support from donors and government. A nonprofit SSOrg can pursue the idea of establishing a separate social enterprise arm, without giving up its nonprofit status.

To begin, SSOrgs need to select and pilot test suitable projects. Once the pilot project takes off, it would be easier for SSOrgs to raise additional funding to scale up. The funding for these projects normally comes with friendly business terms and conditions, so that the social enterprise business can take off.

Q: Can you give us an example of a successful social enterprise in Singapore?

MINDS is a good example of a nonprofit that has incorporated a social enterprise programme in their organisation. MINDS provides education for children with intellectual disabilities so that they can be integrated into society as contributing and responsible citizens.

MINDS Social Enterprise unit is run as a part of the Employment Development Centres. MINDS started a range of social enterprise units to provide alternative work engagement opportunities for their adult clients who are intellectually disabled. It has set up businesses in several areas, including bottled water and food products.

The social enterprises include MINDS Food, MINDS Shop, MINDS Wash, and MINDS Water. The MINDS Food unit at SIA-MINDS EDC runs a small catering service that provides packed lunchboxes to other charities in the vicinity. MINDS Shop runs thrift stores in four different locations. MINDS Wash is a collaboration between SPC and MINDS where persons with intellectual disabilities provide car hand-washing services. MINDS Water is a social enterprise project that supplies bottled water for offices, board rooms, hotel rooms, exhibitions, sports events, and other special events at competitive prices.

All net revenue earned from the sale of their products and services go directly towards paying a monthly allowance for their clients' work and for their lunch expenses while undergoing training at Employment Development Centres.

Q: How can social innovation be facilitated?

SSOrgs should construct a team in which there is a high degree of diversity in background and work experience. This would prevent SSOrgs from developing groupthink or having overlapping skills that might not be beneficial for growth. It is also important to keep the organisational structure as flat as possible, removing layers of unnecessary bureaucracy which would otherwise impede innovative thinking. Innovative ideas often come not from limitation, but from the sharing of best practices and a free flow of thought process.

Q: Can you share an example of a successful social enterprise in Singapore?

A good example is Eighteen Chefs, a well-known social enterprise eatery and restaurant chain in Singapore. Eighteen Chefs was founded by Benny Se Teo, with the aim of providing troubled youths and ex-convicts with a non-judgmental working environment to help them reintegrate into society. Its recruitment policies give priority to ex-offenders over others with similar skills, to ameliorate the challenges faced by ex-convicts in finding employment. While staying committed to its social vision of employing ex-offenders and youth-at-risk, Eighteen Chefs also hires professional managers. Chef Benny shared how this structure has allowed him to both provide meaningful careers to ex-convicts while concurrently growing and running the business professionally. The restaurant chain became the first home-grown social enterprise with a strong business model that successfully wooed investors to start a franchise (Huang, 2014).

Box Story 22 Social Innovation through Collaboration—CHART

This box story is provided by CHART. The box story showcases an example of social innovation through collaboration in the social service sector.

CHART is a platform that allows healthcare professionals to work closely with industry, academia, and research institutions to co-develop impactful healthcare solutions in assistive technologies and robotics.

Development of Rehabilitative Technology through Collaboration

Singapore's ageing demographic means that the caregiver-to-elderly ratio will decrease. To this end, research has been directed towards improving the functional independence of the elderly, to facilitate ageing-in-place. Gait analysis is one form of rehabilitative technology that has been particularly successful.

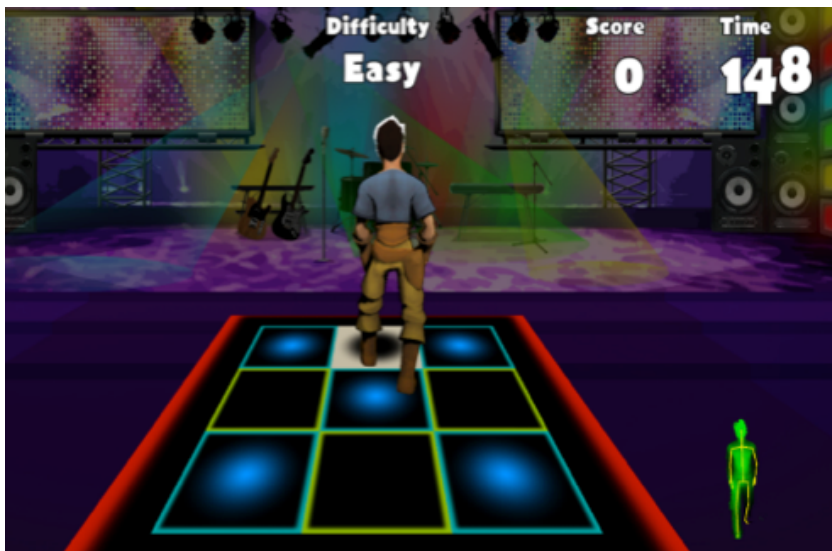
Gait analysis provides information on the balance and walking patterns for someone who has lost his or her ability to walk. It is especially useful for patients recovering from strokes. By providing accessible and objective tools, patients at-risk can be identified to receive rehabilitation interventions and exercises calibrated to their needs to achieve maximum functional independence. However, instrumented gait assessment typically relies on expensive and laboratory-based set ups. Manual assessments are also heavily dependent on experienced and skilled therapists for accurate measurements.

Therefore, CHART and therapists from Changi General Hospital Rehabilitative Services have been working with industry partners to develop a gait assessment robot. The jointly developed robot is able to capture quantitative data autonomously through wireless sensors on metrics such as gait speed, stride length, stride width, and sole pressure. It offers a portable small-footprint alternative to large-scale, dedicated movement laboratories, with the sensitivity to detect clinically important changes in a patient's gait.



The robot's intuitive usage is suitable for non-clinically trained staff as well. This has potential for extending its use in the community and step-down care facilities such as nursing homes and day care centres, ensuring that a high quality of care is accessible across the care continuum.

Apart from industry partners, CHART also has ongoing collaborations with local academic institutions to enhance home rehabilitation using a tele-rehabilitation platform, targeted at elderly who require post-discharge rehabilitation to maintain their strength and balance. Leveraging smart homes and gamification, patients are more motivated to carry out rehabilitation exercises through enjoyable games that have been clinically validated.



By easily capturing and reporting patients' progress back to therapists, appropriate and timely interventions could also be administered. This seamless transition from hospital to home allows patients to recover through rehabilitation, in the comfort of their own community.

6. Conclusion

Given the complexity of the social challenges facing society today, it has become clear that old models can no longer effectively address societal needs in adequate ways. Yet, the critical role played by SSOrgs in society remains unchanged. Their contributions to society persist to be indispensable for social welfare and cohesion.

For SSOrgs to be able to continue to meet the needs of society, they must be adept at delivering their services to the community. With the emergence of new demographic trends in the form of an ageing population and an increase in household diversity, there exists a pressing need to look into innovative solutions that can better fill in the gaps in the social service sector (Caulier-Grice, Davies, Patrick & Norman, 2012). Social innovation is paramount to promoting social change (Hillgren, Seravalli & Emilson, 2011). Mr Hsieh Fu Hua, former President of NCSS, has urged SSOrgs to consider how they can adopt innovative models and strategies (Siau, 2015).

Additionally, SSOrgs can look towards adopting the practices of high-impact nonprofits to enhance their social impact and influence the wider community. By working beyond the social service ecosystem, collaborating, and leveraging all sectors of society, SSOrgs can create a larger impact than they ever could achieve alone—and change the world around them.

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Chapter 7

Quo Vadis—Where Do We Go from Here?

by Isabel Sim^a, Alfred Loh^b and Teo Chee Khiang^c

This chapter concludes the discussions presented in the two books, *Doing Good in Singapore: Part 1 – Adapting to the Future* and *Part 2 – Resourcing for the Future*. It calls for Singapore’s social service sector to be reimaged and a new social compact to be established.

1. Introduction

The social service sector faces a future that looks nothing like the past. Facing mounting challenges to deal with growing and complex social needs arising from various factors including a rapidly ageing population, changing family structures, and rising expectations, social service organisations (SSOrgs) have to embrace change, adapt, and develop core competencies to remain relevant for the future.

In this light, the series *Doing Good in Singapore* has engaged thought leaders for their insights on how the social service sector can prepare itself to meet the needs and challenges of the future. This final chapter concludes with a discussion on reimaging the role of the social service sector as it works towards fostering a new social compact.

2. A New Social Compact

In a world that is fast-transforming as a result of advancements in technology and globalisation, Trade and Industry Minister Chan Chun Sing highlighted the need for a new social compact, to help the slow keep pace with the fast (Lai, 2018). Although government policies play a role in helping the slow keep pace with changes, Mr Chan said that Singaporeans must develop a sense of collective responsibility. Those who are

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fast must see it as part of their social responsibility to reach out to those less able, for society to progress as a whole (Lai, 2018).

However, in developing a sense of collective responsibility to help the disadvantaged in society, it is important to ensure that such initiatives do not lead to a culture of long-term dependency or a sense of entitlement for various forms of assistance¹¹. Social policies must continue to strengthen an individual's personal responsibility as well as the sense of pride in contributing to self and to society.

Before delving into a discussion of envisioning this new social compact for the future, Box Story 23 takes a look at how Singapore's social policies have evolved over time and shifted to encourage the ethos of hard work and self-dependency.

Box Story 23 How Singapore's Social Policies Have Shifted

This box story is prepared by CSDA. It sketches the development of Singapore's social service sector from the late 1940s to present day. It takes reference from Deputy Prime Minister (DPM) Tharman Shanmugaratnam's interview¹², published in The Straits Times on 11 January 2018.

Singapore's economic and social strategies have always been inextricably linked. This is underpinned by the belief that a flourishing economy is not only important but indispensable to the preservation of a strong social fabric and the provision of social well-being. This is because innovation in the economy and the provision of jobs produce wide-ranging impacts on individuals in society.

In the Early Days

In the early days of Singapore's independence, the government's priority was eradicating absolute poverty among the populace. Setting up strong economic foundations through the creation of economic infrastructure was of crucial priority. As a newly-independent country, Singapore's primary task was to survive.

¹¹ More households are receiving long-term financial assistance. In 2017, 4,409 households were on the government assistance scheme, a 24% increase from 2013 (Tan & Wong, 2018). For more details, refer to <https://www.straitstimes.com/singapore/more-households-receiving-long-term-financial-assistance>

¹² The full interview transcript can be found at <https://www.pmo.gov.sg/newsroom/straitstimes-interview-dpm-tharman-shanmugaratnam>

The main problems that characterised those decades were low levels of education, incomes, and home ownership. Overcrowded rooms and apartments were rife, with many people living in intolerable conditions.

On the side of social well-being, the government was primarily concerned with providing basic access to education and a stable housing situation. This was done through the nurturing of a viable and competitive economy. National spending budgets were thus more focused on securing basic living conditions for the citizens than on providing social subsidies.

In June 1946, the Social Welfare Department (SWD) was established under the Ministry of Labour, marking the beginning of organised social welfare services in Singapore (National Library Board, 2014). At that time, the SWD comprised five sections: Food, Settlements, Relief, Youth Welfare, and Women and Girls. Concerned with high levels of malnutrition following the war, it offered aid only to those who were destitute and homeless. Social provisions focused on basic needs. It was beyond education and owning a home; the critical thing was to get a job.

The next few decades saw a general improvement in the quality of life of Singaporeans. Incomes were rising and more people were able to own homes. The value of houses was also going up. However, this progress affected different pockets of the population at different rates; the growing economy did not lift all Singaporeans equally.

With this, the 1990s saw the introduction of significant social interventions to support the lower-income. The government intervened more specifically through schemes like Edusave and Medifund as well as housing grants, to help lower-income families own homes.

2010s to Present Day

Another decisive shift in Singapore's social services occurred in the past decade. The focus turned from alleviating absolute poverty to reducing inequality in the population. Recognising that "a rising tide won't lift all boats like in the early years", the goal was to ensure that the lower-income group keeps pace with the whole society as it moves up. Social services

were designed along public policies in five spheres: education, work, housing, healthcare, and retirement.

In education, more attention is being given to those who are disadvantaged. Subsidies in education were increased for students from lower-income families from pre-school to tertiary level education. 50% more per student is spent on the weaker students than on the average. DPM Tharman describes this development as “extending [the education system] in both directions—starting much earlier and continuing through life”.

On the work front, the Workfare and the Progressive Wage Model targeted the lowest-income groups and the most vulnerable, while the Special Employment Credit worked to benefit older workers. The collective effects of these schemes helped to support the lower- and middle-income groups at the workplace.

Housing grants also saw a significant boost as it became possible for a low-income household to minimally own a two-room flat by servicing the loan through an individual’s Central Provident Fund (CPF) account. In this way, cash income could be used to meet daily needs instead of paying rent. The bottom 10% of Singapore’s population has an 84% home ownership rate, which is just slightly below the national average of about 90%. In addition, the way neighbourhoods were designed incorporated considerations of how to equally sustain an appreciation in the value of homes.

In healthcare, subsidies for low- and middle-income households, as well as the elderly, have significantly increased. In today’s subsidised healthcare system, the government is paying 70% of healthcare costs. This subsidised healthcare system is what the majority of Singaporeans use, and especially so for the vast majority of Singapore’s elderly.

There has also been social support in retirement through CPF and Silver Support. Higher interest rates are given to those with low balances in their CPF accounts, and Medisave top-ups are provided through the permanent Goods and Services Tax Voucher (GSTV) scheme. It is a way to help those with lower incomes build up their savings for retirement. Silver Support is the counterpart to Workfare.

Planning for the Future

The story does not end here. The biggest challenges that lie ahead are to deal with social mobility and ageing.

Improving social mobility has far reaching consequences for Singapore's social fabric. DPM Tharman said that Singapore's identity rests on the fact that everyone has a fair chance to move up. If class divisions became fossilised, advantages or disadvantages at birth will continue through an individual's lifetime. Meanwhile, Singapore's ageing dilemma is about how to enable people to make the most of life in their senior years.

The dramatic shift in the composition of Singapore's population hints at the scale of future resource constraints in healthcare. While more revenue is needed to increase expenditure necessary to sustain the healthcare system, cost increases have to be kept in check. The critical issue is to maintain a balance between individual payment, insurance, and government pay-outs to prevent over-prescription and keep costs down. It is likely that a system of individual co-payment would be kept, supported by family members who also chip in. Citizens would take collective responsibility for one another through insurance, where everyone contributes and pools their risks. Otherwise, the average person in Singapore will be saddled with taxes, and the system overburdened—a common problem in other welfare states.

3. Professionalising the Social Service Sector

In preparation for the challenges of the future, important transformations have been taking place within the social service sector itself. One such transformation is the move to professionalise the sector (Toh, 2017), as discussed in Box Story 24. Different approaches to achieve efficiency have been adopted by the sector, to build up the organisational competency and resource management skills of SSOrgs.

Box Story 24 Professionalising the Sector—Interview with Dr Gerard Ee and Ms Anita Fam

This box story is prepared by CSDA, based on an excerpt from an interview that was conducted with Dr Gerard Ee, Chairman of the Charity Council, and Ms Anita Fam, President of the National Council of Social Service (NCSS).

Q: Why is there a need for the transformation from Voluntary Welfare Organisations (VWOs) to SSOrgs? Has the transformation been successful?

Dr Ee: This transformation is a good move as it removes the connotation that such associations are dependent on volunteers, and that it is purely providing welfare. This move facilitates the professionalisation of the sector. Growingly large numbers of SSOrgs are providing services that deal with various afflictions, rather than providing welfare. Thus, eliminating the word ‘welfare’ also removes this misnomer. It is timely to re-visit common terminology used in the charity sector, to ensure better understanding and synchronicity in visions held by various SSOrgs.

Ms Fam: Historically, our charities were started and run by volunteers. However, in recent years, with better resourcing, many of these organisations are now staffed with paid professionals. So, these organisations are no longer voluntary in nature. Neither is their work just welfare by nature. Some people may still prefer to use the term ‘VWO’. That is fine as that is just terminology. What is more important is the substance of the work that our charities do, and they are already on that transformative journey because of the professionalisation of their services.

Q: In Australia, merger and acquisitions in the Not-For-Profit Human Services Sector¹³ have reportedly resulted in better economies of scale and higher productivity (RMIT University & CPA Australia, 2018). Would this work for Singapore's social service sector?

Ms Fam: This may not work well in Singapore. The approach that we are trying to encourage is towards greater coordination and working together. If one views a person holistically, one will see that he/she may have many needs or require continual care and will therefore need to be cared for by a wider spectrum of service providers, rather than by a monopoly.

Dr Ee: We should not push for mergers and acquisitions. If it happens with the vision of providing better services for the beneficiaries, then that's good. If it is merely to achieve largesse, then that's bad news. SSOrgs should begin by enhancing their collaborative effort and working more closely with others that are addressing similar social issues. It is not a matter of claiming ownership but of serving the nation.

Q: What would be a good efficiency benchmark for Singapore's social service sector?

Dr Ee: The only way to measure effectiveness of social services, ideally, is to measure outcomes. This comes back to measuring the effects on the individual, because it is about how the individual's life has improved. For example, issues that individuals are facing should be gauged against how well they are being attended to, and measured on the progress made thus far. Subsequently, we would have a grasp of how effective the whole social service sector is performing. Many elements are required to achieve good outcomes—a combination that includes health, finance, relationship, and activities.

Ms Fam: Stronger administrative support for charities will serve as a good efficiency benchmark. At the moment, there is a tendency to spend all or the greater part of our resources on service provision. However, if we invest

¹³ Refer to NFP Governance and Performance Study (Australian Institute of Company Directors, 2018) for more details on the development of the nonprofit sector in Australia. The study can be found at <https://aicd.companydirectors.com.au/-/media/cd2/resources/advocacy/research/pdf/06759-1-adv-nfp-governance-study-2018-jul-18-a4-web.aspx>

in developing people capability, we will have more effective organisations. We should therefore look into what a meaningful ratio for charity spending on administrative costs should be. This will encourage charities and donors to contribute resources to strengthen their corporate services so that charities are well-run and effective in delivering their mission.

Q: Do you think that the management and the boards in the social service sector are doing enough to professionalise the sector and improve charity governance?

Dr Ee: The situation is improving because we are pushing very hard in terms of charity governance and the need to professionalise the sector. However, too many boards of charities are seen as a place to retire to. Too many board members are not contributing towards improving the effectiveness of the organisations they serve. Too often, board members meet as a social event and have little or no preparation to contribute meaningfully at board meetings.

Ms Fam: When we look at the level of professionalism in the sector today, it is way better than in the past. There is work being done to raise the standards of leadership in boards and management, which includes training at Social Service Institute (SSI), the Sun Ray programme, and other schemes. In some organisations, there are long-serving board members (or founders) with a lot of passion for the cause, and these boards can sometimes be very conservative. We need to equip our sector leaders and boards with a mindset for change so that we can keep pace with the rapidly changing needs of our society.

Q: Currently, charities' board members are volunteers. In general, it is common knowledge that the charities' staff are not paid a competitive wage. Often, professional staff from the private sector have to take pay cuts of at least 30 to 40% to join the social service sector. What are your comments about compensation and professionalisation of the social service sector?

Ms Fam: There is a distinction to be made here. Board members should still work for free as they are volunteers. However, staff in the social

services sector should be paid fairly—hence all the salary benchmarking work that NCSS has been doing in past years so that salary scales are more transparent. Through the years, there have been salary adjustments. As such, the norm costs have gone up because the position salaries have gone up due to benchmarking. But it is a double-edged sword— when you pay people with the assumption that they will function better, it means charities will need more money.

When the Community Chest first started in the 1980s, it freed up charities from having to worry about fundraising and allowed them to focus solely on service delivery. However, in today’s context, and because of the increasing needs of our society, it is not possible for funding from the Community Chest and government to meet all these increasing funding needs. With the salary adjustments being necessary, charities will now have to think about where to get this extra budget.

Dr Ee: In order to professionalise the sector, we have to educate donors and grant makers that administrative costs would naturally be higher if the organisation is to be adequately and appropriately staffed. By providing good social services and professionalising the sector, other sources would be willing to fund them. SSOrgs need to adopt an enterprising mindset and work towards becoming a self-sustaining social service enterprise.

The transformation from VWOs to SSOrgs remains an important step in enabling the professionalisation of the social services sector (Tai, 2017). Thus far, the sector has focused on helping SSOrgs build strong organisational foundations to meet growing social needs, by encouraging the cultivation of good leadership practices as well as enhancing administrative capabilities within the organisation.

4. Collaborative Innovation

SSOrgs working to meet some of society’s most pressing needs are constantly being challenged with the pace of a rapidly evolving future (Jacob, 2018). To deliver long-lasting high impact, there has been a growing emphasis in recent years for SSOrgs to develop creative solutions (see Chapter 6).

Box Story 25

Social Innovation and Digitalisation in the Sector— Interview with Dr Gerard Ee and Ms Anita Fam

This box story is prepared by CSDA, based on an excerpt from an interview that was conducted with Dr Gerard Ee, Chairman of the Charity Council, and Ms Anita Fam, President of NCSS.

Dr Ee and Ms Fam shared their insights on the importance of collaborative innovation as well as the incorporation of technology to increase efficiency and improve service delivery.

Q: What is social innovation in the social and healthcare sectors?

Ms Fam: Social innovation is about thinking creatively when it comes to dealing with challenges, and how things can be done more effectively and efficiently. It is worth mentioning that pockets of it do exist. For example, in the healthcare sector, a lot of innovation initiatives are being carried out. From the day healthcare redirected its focus from cost-cutting to the delivery of quality healthcare, one thing that emerged was cost-efficiency.

In the social service sector, there is a lot of room for innovation. We are still very new on this journey of innovation in this sector. It is something which we have no choice but to embrace because of limited resources.

Dr Ee: Healthcare is the leader in terms of innovation. For example, Changi General Hospital (CGH) made use of analytics to understand the needs of patients and measure the effectiveness of treatments and programmes. It was through the use of analytics that the hospital uncovered the true cause of patients not recovering well from the prescribed treatments: it was found that these patients had little or poor family support, often forgot to take their medication, or were confused over the right dosage.

CGH launched a call centre, a free service to remind those patients to take their medication. Their medication has been pre-packed into three portions, labelled morning, noon, and night. At the end of nine months, the number of such patients was reduced by almost two-thirds.

For the social service sector to follow this path, we have to use modern management techniques and analytics to understand the real issues at hand. At the current stage, it is definitely a long way ahead to achieve it.

Q: How can the social service sector learn from the healthcare sector?

Ms Fam: The NCSS board consists of representatives from both the healthcare and social service sectors. NCSS has member organisations that are in the social service sector as well as the intermediate and long-term healthcare sector. This reflects a lot of cross-conversation that is already going on. However, it is also important to understand that the social service and healthcare sectors each have different operating contexts. As healthcare is one of the national priorities in Singapore, it is better resourced. It will be encouraging if the social service sector receives more funding for the much-needed work in the years to come.

Dr Ee: Drawing references from Simon Sinek’s book *Start with Why*, perhaps the sector should start thinking collectively on ‘why’ an organisation exists and its purpose in life, to better determine the outcomes they should pursue.

Ms Fam: The sense of mission throughout the organisation in terms of the leadership and people who work there is important. They must know ‘why’ they are there, and with that will come purpose and pride in what they are doing. The key behind this is good management and close alignment between the board and management. The board needs to support the management and empower them to drive the organisation forward.

Q: In what ways will the Visibility Guide Framework¹⁴ benefit the social service sector?

Dr Ee: This Framework is drawn out in conjunction with promoting greater transparency. It is a framework for charities to generate their annual reports, to allow various stakeholders to understand the respective charities better. Greater transparency would help organisations gain trust

¹⁴ The Visibility Guide Framework aims to encourage safer giving and increase transparency and accountability in the sector (Baker, 2018). For more information on the Visibility Guide Framework, please refer to https://www.charities.gov.sg/Publications/Documents/COC%20Visibility%20Guide_Sep%202018.pdf

of the stakeholders. With many charities around, we would want donors and sponsors to donate to a place with greater social returns. We can gauge social returns through such transparency (i.e. charities telling the organisations what they are doing) as well as from evidence and testimonies of the beneficiaries on the effectiveness of the programmes. With such information, donations should be directed to those that need more or do more. In other words, we should provide more support to those that are making an effort, in order to further increase the efficiency of the social service sector.

Q: Is the social service sector ready to embrace digital transformation?

Dr Ee: From the charities' perspective, digital transformation is how they can utilise their social media platforms and websites to their advantage to capture a wider audience and public. However, a lot of the small and medium charities do not have such secured server network. Proposals have been made to Shared Services for a minimum-security environment for these small and medium charities. Sadly, such services would be treated as administrative expenses and restricted in the budget.

Ms Fam: The future is in the hands of our millennials. Looking at the start-ups, they have developed innovative service models with large potential. One good example is Jaga Me, which is a digital healthcare platform that connects patients and their families with the care resources that they need.

Q: What are your thoughts on digital fundraising and cybersecurity?

Ms Fam: There is always a concern on confidentiality, and it is the organisation's responsibility to work within the Personal Data Protection Act (PDPA) framework.

Dr Ee: There is indeed a trend of increased digitalisation in the social service sector. The value of a good database cannot be underestimated as it helps with strategic planning for more effective services as well as donor and volunteer management. Most of the small- and some of the medium-sized charities have little or no awareness of IT security risks. At smaller

charities, one would find the lone computer in the office unsecured and easily accessed by anyone. At larger charities, the IT environment such as the server room is usually inadequately secured. These are some of the basics, but the ability to secure the IT system from unauthorised use and cyber penetration is totally lacking.

5. Reimagining the Social Service Sector

DPM Mr Tharman has urged Singaporeans to recognise the importance of a supporting social culture in social policy interventions. This ranges from how values and behaviour shift in response to social policies, and whether Singapore's civic culture strengthens or weakens as a result (Shanmugaratnam, 2018).

Indeed, the future of the social services lies in a collective effort of participation and bottom-up advocacy (Edgington, 2013). Only in such a community can the social services sector in Singapore begin to thrive. SSOrgs should be forward-thinking, and they should do so in ways that go beyond responding to change, but also help define an emerging vision of civic life (Hunt, Clark & Johnson, 1997).

Moving forward, there is one important tenet that should underpin the design of future social service programmes—strengthening dignity. Mr Hsieh Fu Hua, who was the former President of NCSS, notes that the future of social care needs to be transformed (Tan, 2015). He suggested that the social service sector should go beyond the cultivation of self-dependence, and even the Many Helping Hands approach. The future of social care should consider enshrining a third pillar—care with dignity for every person (Hsieh, 2018). Such a move requires the service provider to re-examine the basic conditions of many of their services which were sufficient for living standards in the past (Hsieh, 2018). Furthermore, it requires a whole system of support to be cultivated on the ground.

This sentiment was echoed strongly by Dr Ee in the next box story. Dr Ee explained the decision for Canossa Convent Primary School to go co-ed, and highlighted notable examples of social service programmes in the school that have incorporated this notion of dignity.

Box Story 26

Case Study of Canossa Convent Primary School— Interview with Dr Gerard Ee

This box story is prepared by CSDA, based on an interview with Dr Gerard Ee. Dr Ee spoke in his capacity as the Chairman of Canossa Convent Primary School, now known as Canossa Catholic Primary School.

Introducing the word ‘dignity’ when designing a programme carries great value. When we design our programme, we always bear in mind that the outcome must preserve the dignity of the individual whom we are helping.

These were the steps in which we took to preserve the dignity of the families whose children are enrolled in the school.

Going Co-Ed

Very recently, Canossa Convent Primary School (CCPS) decided to make the school co-ed from 1 January 2019.

When you put yourself in the shoes of parents from lower-income families, and you have one boy and one girl, it is a burden sending one child to a boy’s school and another child to a girl’s school. The moment we announced the decision to go co-ed, so many parents came to us to express their relief that they now can save so much money and time because they can just drop both children off at the same school, since it is now co-ed.

Therefore, on the surface, while the only change appears to be that the school is now co-ed, the programme has actually helped lower-income parents by easing their burden.

Breakfast Programme

The social service programmes we design should link back to the key needs of the people we serve, depending on the demography. At Sallim Road in the MacPherson area, where CCPS is located, there are many children from disadvantaged backgrounds.

We took a holistic approach and hired social workers to introduce the social element. And straightaway, we identified 43 children who either skipped school regularly or come to school very late. When we investigated further, we found that these children came from disadvantaged families and the children often had no breakfast at home.

So, we started a breakfast programme, and these 43 children became the earliest to arrive in school because they were looking forward to breakfast. Their performance naturally improved; they were no longer hungry.

But by focusing our social programmes on the individual child, the situation became sensitive. We noticed that when these 43 children were eating breakfast, there were other children who were eyeing their breakfast too. These 43 children were on the Financial Assistance Scheme, but we had forgotten that there were many other children who did not qualify for the scheme; for instance, because their mothers are foreigners. Hence, we expanded the breakfast programme to include these children. The programme grew to feed almost 90 children.

The Principal also realised after investigating that the pinafores of some students had not been washed for three weeks because no adult was at home to take care of this. So, we started a laundry programme, and now we exchange uniforms with students on a weekly basis so they have clean uniforms to wear.

Whether it is going co-ed, providing breakfast or laundry service for students in need of care, it comes back to how we deliver and design our services so that is not obviously a handout. Aspects like these are very important to preserve the dignity of an individual.

To address the pressing challenges of social mobility and social mixing, a social compact should encapsulate individual dignity as a core value.

Social work veteran and executive director of Beyond Social Services, Mr Gerard Ee, shared that social needs have to be met in a holistic manner. Social inclusion efforts are about creating an environment where no one feels displaced (Ee, 2019). He argued that social issues need not be seen as problems to be fixed. Rather, social issues may be used as opportunities to rally society towards a common good, where a shared future is mutually satisfying and meaningful. Ultimately, social service should be person-centric¹⁵ and address beneficiaries' needs directly.

As a whole, the sector must recognise that a far broader ecosystem is required to support the needs of the people in Singapore. The role of the social service sector has to be reimagined as one that increases the social capital within Singapore, rather than one that simply services those on the margins (Ee, 2019).

In a similar vein, Mr Hsieh emphasised that different stakeholders, SSOrgs, and individual Singaporeans alike, must come together as an organic whole, so that Singapore seeks to provide better social care for its people. He further elaborated that it requires buy-in from the entire community, including the private sector and the government (Hsieh, 2018).

Mr Ee called for a collective goal for every individual to reach the 'finish line' of being recognised as a valuable citizen with much to contribute. He urged the social service sector to stand together with those who have crossed the 'finish line', and to applaud those still running towards it (Ee, 2019).

In the poignant words of Hunt, Clark and Johnson (1997), "*we evolve together*".

¹⁵ Fam, from interview with CSDA

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ABOUT THE PROJECT

Social Service Organisations (SSOrgs) play an important role in developing a strong and caring community. Besides serving the poor, vulnerable and disadvantaged, there has been a call for SSOrgs to further develop their capacities and capabilities to address the mounting social needs in Singapore. These changing needs arise from social trends such as the ageing population, shrinking family unit, as well as economic disruptions due to globalisation and technology. Rapid technological changes are also transforming the shape of many institutions and the ways in which people interact with them, and with each other. Indeed, SSOrgs face a future that could potentially look nothing like the past.

This book engages thought leaders for their views and insights on how the sector can better position itself in light of the changing social landscape. It is hoped that, together with the first book, Part 1 — Adapting to the Future, this book will serve as a useful resource for SSOrgs. Hopefully, SSOrgs can use this resource to develop a forward-thinking approach in enhancing their organisational capacities and capabilities to remain relevant.

With regard to the essays by the thought leaders, the editors have sought to preserve the wordings used by the authors as far as possible. The content is also supplemented by box stories developed with inputs from other stakeholders – including primarily local social service organisations, government agencies, reviewers, and interns from the National University of Singapore (NUS).

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