GOOD principles

Willie Cheng's book gives a different view of charity matters

A new book, Doing Good Well: What Does (And Does Not) Make Sense In The Nonprofit World, was launched last Wednesday by local author Willie Cheng. The former managing partner of management consultancy Accenture is now a volunteer, board director and keen observer of the charity scene.

He was the man who surfaced the issue of the National Kidney Foundation's (NKF) reserves in a 2004 article in Salt magazine, a publication of the National Volunteer and Philanthropy Centre. The book has a chapter containing what Mr Gerard Ee, chairman of today's NKF, calls "the most complete and insightful account" of the NKF fallout.

Mrs Fang Ai Lian, chairman of the Charity Council, says "this book will change the way charities think, work and live". The council is a body that was set up in 1997 to promote and encourage the adoption of good governance and best practices, and to enhance public confidence and promote self-regulation in the charity sector.

Indeed, the book challenges and surprises the reader on what sometimes seem to be straightforward notions like staff compensation and corporate social responsibility. It is filled with uncommon thinking on common charity matters.

Mr Cheng, 55, has taken nonprofit paradigms – mental models of social realities – explored how they currently work, and why and how they could change. There are 20 chapters in all, covering the various facets of non-profit management, philanthropic giving, social innovation and even non-profit quirks.

Royalties from the book, which retails at $48.80 before goods and services tax, will go to a local charity. Here, Mr Cheng outlines 10 paradigms from the book.

Willie Cheng

1 Charities should not primarily be held accountable to their legal owners. The legal owners often come down to select individuals or organisations, who may have narrow interests. Rather, a charity should be held accountable to its moral owners – the public from whom it gets its funds and the community it purports to serve. This public interest aspect of charities needs to be satisfied through regulation and the court of public opinion.

2 Charities should seek extinction rather than growth. The mantra of business is growth. The opposite applies to non-profits. Non-profits are created to achieve societal change. Ultimate success occurs when the non-profit's mission is achieved and its existence is no longer needed.

3 Charities should not hoard surplus money for a rainy day. Without large reserves to fall back on, charities are more likely to stay relevant to the community. As donors give money, they are able to require ongoing accountability of the charities. Keeping excessive reserves also deprives other deserving charities of funds.

4 You can pay more to get volunteers than to hire paid staff. Volunteers are not just free labour. They help a charity engage the community in so many ways. That is their true value. So much so that it can be okay to pay more to recruit, manage and support volunteers than to hire paid staff.

5 It is not the poor who mainly benefit from charitable giving. This is because the legal definition of charity has been broadened from being about the poor and needy (what most people understand charity to be) to being about the community good. And in more ways than one, even in the charity world, consistently it is the rich who are favoured over those less well-off.

6 The elites are stingier, but there are notable exceptions. You would think that the rich have both the greater capacity and reasons to donate. Yet studies consistently show that the elites of society give less, as a proportion of their income, to charity than those less well-off.

However, some of the neo-philanthropists such Mr Bill Gates and Mr Jeff Skolls are showing the way; in fact, creating a second philanthropic revolution with their mega-giving, as well as their innovative approaches to solving the world's problems.

7 Raising money from the dead is easier said than done. The theory is that people are most willing to part with their money when they are dead. But how do you get them to commit before they go off? The challenges in this region are an Asian culture that frowns upon raising the subject of death and the low level of or lack of estate duty.

8 The fund-raising efficiency rule makes fund raising inefficient. There are many variables in fund raising that affect the efficiency ratio. By establishing a fixed benchmark, it makes the benchmark (30 per cent in Singapore) acceptable when a much lower ratio is easily achievable.

9 Corporations are, by nature, pathologically selfish. That is why corporate social responsibility is mostly adopted only when there is business value to the companies. To ensure social responsibility, some have advocated increased regulations. But it is hard to tame the corporate beast, and the long-term answer may lie in changing its constitution.

10 Social enterprises fare badly despite their "unfair business advantages". These businesses with a social mission have the benefits of free capital, volunteer staff and sympathetic buyers, compared to their commercial counterparts. Yet they struggle to survive. This is mainly because they operate with a charity versus a business mindset. It may be easier to change the heart of a successful businessman than the head of a successful charity worker.

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