

# More Staff and Fewer Members?

## A Contemporary Analysis of Professionalisation Trends in Australia

Since the 1960s trends towards professionalisation within civil and interest groups have been noted by researchers.<sup>1</sup> Where once individuals joined locally rooted membership organisations, they now "send checks to a dizzying plethora of public affairs and social service groups run by professionals."<sup>2</sup> Group members seem to have evolved into donors, with fewer volunteers, and more paid, policy focused staff. Key research into the trend have typically used case studies focusing on a few select groups that obviously demonstrate trends of professionalisation.<sup>3,4</sup> However, recent literature has struggled to find widespread evidence of this trend.<sup>5</sup> In this essay, I use annual staff and volunteer data from a large number of interest groups to determine whether professionalisation trends are evident in modern day Australia. I show that staff numbers are increasing at a low rate, but none-the-less a higher rate than income. I caution that this data alone is too limited to make robust assessments of group professionalisation trends but suggest that the low rate of growth weakly supports claims that any trends towards professionalisation are modest at best.

I begin with a brief discussion of previous research in the area, before explaining my research methods and results. I then discuss the limitations of the study and suggest possible explanations for the observed small yearly growth in professional staff. Prior to concluding, I discuss possible future directions for further research.

Member driven groups play a fundamental role in society, in part because of their important role in enabling citizens to express their policy positions. As Skocpol puts it, "organized voluntary groups mediate between government and society, empower participating citizens, and embody relationships between leaders and supporters."<sup>6</sup> It is little wonder then, that trends reducing members influence are worrying to many. Jordan and Maloney were among the first to observe such a trend. Their examination of groups including Greenpeace, Friends of the Earth and Amnesty International showed clear movements towards professionalisation: increases in expenditure on fundraising, higher reliance on supporters rather than members and higher staffing.<sup>7</sup> Skocpol

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<sup>1</sup> Theda Skocpol, *Civic Engagement in American Democracy*, ed. Theda Skocpol and Morris P. Fiorina (Brookings Institution Press, 1999).

<sup>2</sup> Ibid. Pg. 461

<sup>3</sup> A. G. Jordan and W. A. Maloney, *Protest Businesses? : Mobilizing Campaigning Groups / Grant Jordan and William Maloney*, ed. William A. Maloney, *Issues in Environmental Politics*. (New York: Manchester University Press, 1997).

<sup>4</sup> Skocpol, *Civic Engagement in American Democracy*.

<sup>5</sup> Edward T. Walker, John D. McCarthy, and Frank Baumgartner, "Replacing Members with Managers? Mutualism among Membership and Nonmembership Advocacy Organizations in the United States," *American Journal of Sociology* 116, no. 4 (2011).

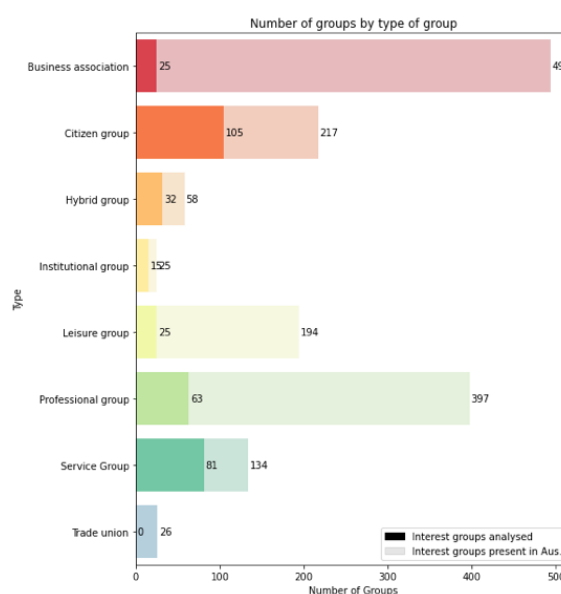
<sup>6</sup> Skocpol, *Civic Engagement in American Democracy*. Pg. 462

<sup>7</sup> Jordan and Maloney, *Protest Businesses? : Mobilizing Campaigning Groups / Grant Jordan and William Maloney*. Pg. 22 - 23

observed a similar trend, demonstrating significant decreases in memberships of large organisations between 1955 and 1995.<sup>8</sup> However, recent data has struggled to find evidence of this trend continuing, with Walker et al. finding no evidence of a proportional increase in staff led, donor funded organisations since the 1960s.<sup>9</sup>

It is against this backdrop that I investigate whether such a trend can be observed in the Australian interest group system. Rather than examining whether shifts are apparent in the proportion of interest groups that are highly professionalised organisations, I investigate whether pre-existing groups are professionalising over time. To measure professionalisation, I analyse the number of staff employed by an organisation. This technique has standing as a measure of professionalisation and has been utilised by recent research.<sup>10</sup> I also examine the number of volunteers in each organisation. The dataset is sourced from the Australian Charities and Not-for-profits Commission (ACNC),<sup>11</sup> which since inception has required all not-for-profits in Australia to complete an Annual Information Statement (AIS). The AIS contains a variety of information, including staff and volunteer data. To limit analysis to solely interest groups, organisations were only chosen if they appeared in the list of Australian interest groups identified by Fraussen and Halpin.<sup>12</sup> Of this set, only groups who had reported to the ACNC for the full seven years were analysed. Due to the nature of not-for-profit groups, this data is not representative of the Australian interest group system as a whole, with the number of observations (n = 346) noted below in comparison with the number of interest groups in the interest group system as a whole.

Type	Analysed	Present in Aus.
<b>Business association</b>	25	494
<b>Citizen group</b>	105	217
<b>Hybrid group</b>	32	58
<b>Institutional group</b>	15	25
<b>Leisure group</b>	25	194
<b>Professional group</b>	63	397
<b>Service Group</b>	81	134
<b>Trade union</b>	0	26
<b>Total</b>	<b>346</b>	<b>1545</b>



<sup>8</sup> Skocpol, *Civic Engagement in American Democracy*. Pg. 474 - 478

<sup>9</sup> Walker, McCarthy, and Baumgartner, "Replacing Members with Managers? Mutualism among Membership and Nonmembership Advocacy Organizations in the United States." Pg. 1284

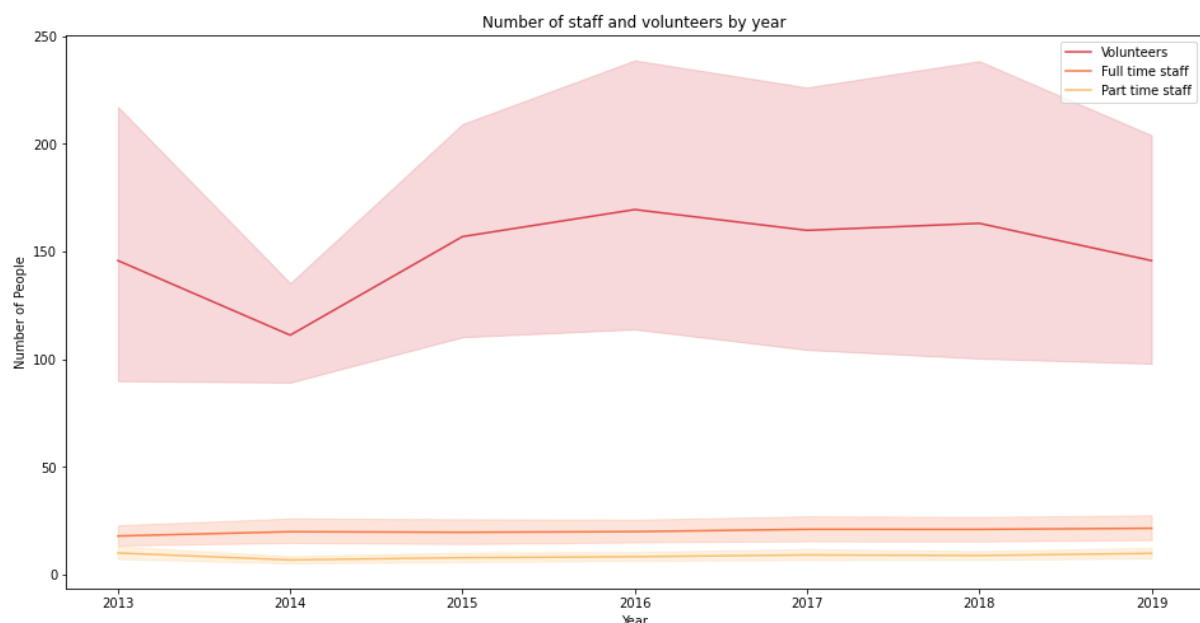
<sup>10</sup> Frederik Heylen, Evelien Willems, and Jan Beyers, "Do Professionals Take Over? Professionalisation and Membership Influence in Civil Society Organisations," *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* 31, no. 6 (2020). Pg. 1232

<sup>11</sup> Australian Charities and Not-for-profit Commission, "Acnc 2013-2019 Annual Information Statement Data," (2021).

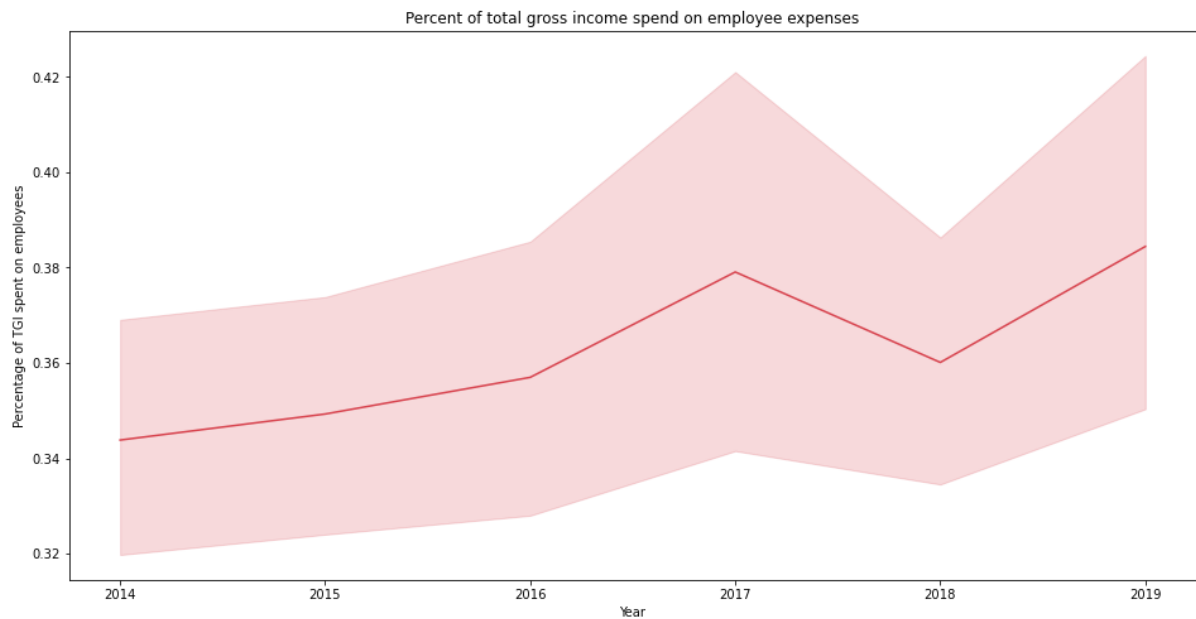
<sup>12</sup> Bert Fraussen and Darren Halpin, "Assessing the Composition and Diversity of the Australian Interest Group System," *Australian Journal of Public Administration* 75, no. 4 (2016).

Notably, business associations, professional groups and trade unions are underrepresented in the AIS data. This may be because such groups are unlikely to operate as not-for-profits, precluding them from reporting to the ACNC. Never-the-less, with the highly representative samples in citizen, hybrid, institutional and service groups, insights into these types of groups should be examinable.

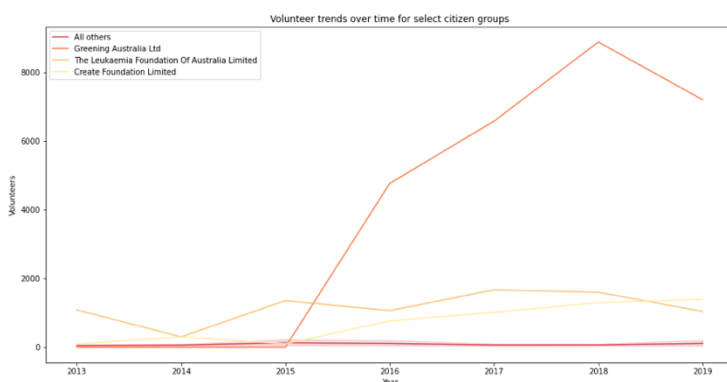
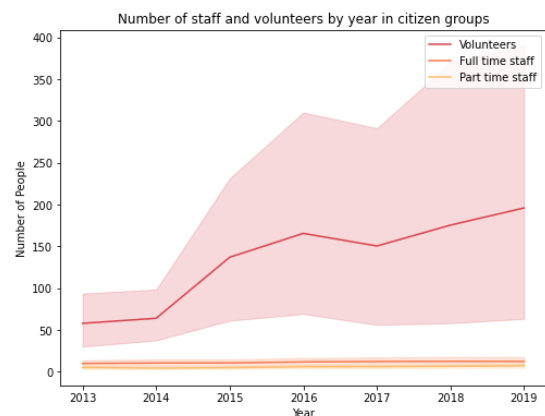
The results show some evidence of growth in staffing numbers. The average number of full-time staff does have a statistically significant yearly growth rate, albeit it of only 1.4%. No statistically significant trends, as determined by the Mann-Kendall Trend Test, are apparent for part-time staff, or volunteer numbers. As the graph below demonstrates, volunteer numbers vary significantly year on year, while full time and part time staff remain more consistent, with minor increases to full time staffing numbers.



A more useful metric of staffing trends is the percentage of total gross income (TGI) that groups spend on employee expenses. The ACNC has only collected this data since 2014, so the timeframe is more constrained, but still provides useful insights. Here we see some slightly stronger evidence for professionalisation, but again not to a high level. In 2014, groups spent on average 34.3% of their TGI on employees. By 2019, groups spent 38.5% of their TGI on employees, representing an average increase of 1.8 percentage points annually. However, as the graph on the next page shows, there is significant variance in this metric. Interestingly, we see trends at the group type level, with citizen groups increasing the percent of TGI spent on employees by 3.4 percentage points annually, while service groups experience nearly no increase in the percentage of TGI spent on employees.



Further noteworthy trends appear at the group type level. At first glance, despite increasing employee expenses as a percentage of TGI, citizen groups appear to be becoming more reliant on volunteers, with volunteer numbers increasing at a much higher rate than paid staff. In this category, the mean annual growth rate for volunteers is an incredible 27.4%, compared to a full-time staff growth rate of 3.7%.



Digging deeper it becomes clear that a few citizen groups are leading the charge, while most experience modest volunteer growth. Specifically, Greening Australia appears to be responsible for a significant portion of the increase, while most other groups experience only minor or no increase in volunteer numbers.

The data also provides interesting insights on the degree to which varying types of interest groups employ paid staff. Hybrid and service groups employ a significant number more full-time staff on average (46 and 31 respectively) than citizen (11) or institutional groups (13). Despite the lower total number, citizen and institutional groups tend to spend a higher percentage of their TGI on employee expenses, as shown in the chart on the next page.



In short, the data suggests that groups are hiring more professional staff than one would expect from increases in their income alone. The rate at which employee expenses are increasing as a percentage of TGI is statistically significant, but at a rate of 1.8% per annum it does not seem like an indicator of a boom of professionalisation similar to one that Skocpol observes in the 1960s. There are other reasons to be sceptical of this result indicating a trend towards professionalisation.

Firstly, the hiring of more professional staff does not alone make for a professionalised interest group. While some recent research has used staff members as an indicator of professionalisation,<sup>13</sup> Skocpol, Jordan and Maloney are much more concerned with changes to the number and role of members rather than the number of staff. In fact, of the six characteristics of highly professionalised 'protest businesses' that Jordan and Maloney put forward, only one mentions staff.<sup>14</sup> It could be argued that increases in staff numbers are required for other characteristics to be met: It would be difficult for policy to be made centrally or for staff to take political action with few staff members. However, staff increases could also be the result of a desire to better engage with members or any number of other reasons, undermining its ability to signify professionalisation. The finding that the number of full-time staff members is growing does not guarantee that groups are professionalising in the manner described by Skocpol or by Jordan and Maloney.

The lack of a measure of membership is another reason why significant generalisations about group professionalisation trends cannot be made. The combination of this dataset with information such as membership numbers, average donations and number of donors would provide for much more substantial insights into professionalisation trends. The number of members a group considers itself

<sup>13</sup> Heylen, Willems, and Beyers, "Do Professionals Take Over? Professionalisation and Membership Influence in Civil Society Organisations."

<sup>14</sup> Jordan and Maloney, *Protest Businesses? : Mobilizing Campaigning Groups* / Grant Jordan and William Maloney. Pg. 22

to have would be an especially useful gauge of professionalisation. It is important to note that I have presented volunteer data from the AIS only in order to provide some insight into the reliance of organisation on paid staff. It would be fallacious to try to use volunteer numbers as a proxy for membership. Skocpol identifies the difference between the two succinctly.

*"Important as volunteering may be, it cannot substitute for the central citizenship functions that membership federations performed. Volunteers do not form as many reciprocal ties; they are normally not elected to responsible leadership posts; and they are unlikely to experience ... a sense of brotherhood or sisterhood"*<sup>15</sup>

One final concern with this research is the limited timeframe over which data is available. While the previous seven years can show us current trends, it tells us little about longer term trends, where there is still much research to be conducted. Despite the arguments of Skocpol, Jordan and Maloney that groups are transforming "from membership to management",<sup>16</sup> population density research by Walker, McCarthy and Baumgartner found stability in the relative proportions of the membership and non-membership organizations since the 1960s.<sup>17</sup> Other research has also demonstrated that significant diversity continues to exist in the interest group system with neither highly professionalised nor highly membership driven organisations dominating.<sup>18</sup>

Even with these limitations, the discovery of a low and relatively consistent rate of increase in staffing seems to suggest a stabilisation in staffing, if not in professionalisation. Given this result and the analysis of Walker et al, this suggests that rate at which groups professionalise may have stabilised. Economic theory can help explain this phenomenon.

Economic theory suggests that groups will professionalise to the most efficient level in order to supply the goods they need to at the lowest cost. Grömping and Halpin use such a theory to examine why groups may choose a seemingly more inefficient and expensive organisational system – one more heavily reliant on members. After all, consulting members is a time consuming and costly endeavour that expends finite group resources.<sup>19</sup> Their results indicate that groups choose a level of membership engagement in order to maximise their ability to gain access to politicians and political capital. Groups with higher membership engagement were more likely to be afforded access. This may be because such groups are able to legitimate claims to represent constituencies with accurate

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<sup>15</sup> Skocpol, *Civic Engagement in American Democracy*.

<sup>16</sup> Theda Skocpol, *Diminished Democracy: From Membership to Management in American Civic Life*, vol. 8. (Norman: University of Oklahoma Press, 2003). Pg. 1

<sup>17</sup> Ibid.

<sup>18</sup> Debra Minkoff, Silke Aisenbrey, and Jon Agnone, "Organizational Diversity in the U.S. Advocacy Sector," *Social Problems* 55, no. 4 (2008).

<sup>19</sup> Max Grömping and Darren R. Halpin, "Does Group Engagement with Members Constitute a "Beneficial Inefficiency"?", *Governance* 32, no. 3 (2019). Pg. 525

representations of the views of their members.<sup>20</sup> This suggests that if there was a growth in professionalisation, the rate of growth has stabilised as groups find the economically optimal level of professionalisation needed to achieve their access goals.

Further research in this area should try to determine why groups are increasing staff levels. Research could also be conducted into whether groups have experienced significant professionalisation and then stabilised, or whether there have been no significant shifts in professionalisation. Donor and donation information would be particularly meaningful as it enables a greater insight into other indicators of 'protest businesses' such as a reliance on supporters, rather than members.<sup>21</sup> Donor turnover data would be another useful indicator, enabling insights into whether the primary method to express policy opinions is by exit. For research focused on contemporary trends, the examination of fundraising methods offers an exciting opportunity for future research. Much of the classic literature focuses on the expansion of direct mail as a mechanism by which professionalisation is enabled. In today's internet age, analysis of groups use of emailing list may provide insights into groups reliance on members or volunteers.

Despite the limitations discussed above, there are still two takeaways that this research can provide. Firstly, the data indicates that groups are spending more on staff as a proportion of income over time. Secondly, the low annual rate of staffing increases weakly supports claims that groups are not significantly professionalising in the manner that Skocpol and others worry about. However, this dataset is too limited to definitively answer the question of whether groups are indeed professionalising. None-the-less, it does reveal interesting trends in the staffing levels of interest groups that are not yet fully understood. With further research in the area, we may uncover new contemporary trends in the interest group system.

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<sup>20</sup> Ibid. Pg. 512

<sup>21</sup> Jordan and Maloney, *Protest Businesses? : Mobilizing Campaigning Groups* / Grant Jordan and William Maloney. Pg. 22

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