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“Altruism – A Motivational Aspect for Non-Profit Sector Employment?”

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Content

Declaration

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This thesis, in same or similar form, has not been available to any audit authority yet.

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List of Abbreviations

BONGO	Business-Organized-Non-Governmental Organization
CSO	Civil Society Organization
EU	European Union
FONGO	Funder-Organized-Governmental Organization
FPO	For-Profit Organization
FTE	Fulltime Equivalent
GDP	Gross Domestic Product
GONGO	Governmental-Organized-Non-Governmental Organization
ICNPO	International Classification of Non-Profit Organizations
NGO	Non-Governmental Organization
NFPO	Not-For-Profit Organization
NFGO	Not-For-Gain Organization
NPO	Non-Profit Organization
ÖVP	Österreichische Volkspartei
PONGO	Political-Non-Governmental Organization
QUANGO	Quasi-Autonomous-Non-Governmental Organization
SPÖ	Sozialdemokratische Partei Österreich
UN	United Nation

> *"How selfish soever man be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it."*

Smith (1969), 47

1 Introduction

The presence of a large non-profit sector is particularly important, since it is seen as an indicator of a healthy economy. At the same time, the fields of activities in which these institutions are most common (e.g. education, research or health care) are considered vital elements in a modern economy that help foster community building.

With a growing number of non-profit organizations (NPOs) focusing on unmet needs of human beings, the non-profit sector becomes increasingly central to the health and well-being of any society. Due to the sizable and growing share of the non-profit organizations' economic activity, the need for NPO personnel becomes pressing. Attracting and retaining the right people with the right profile is a growing challenge, since all recruiters are fishing from the same pool of potential staff. Additionally, sectors are facing a "human capital crisis"[1], which alludes that employees are increasingly willing to shift between sectors, in order to maximize their private utility.

Therefore, understanding the occupational motivation of individuals helps the non-profit sector to attract and retain qualified personnel, which in turn contribute to the organization's overall success.

1.1 Research Interest

The occupational choice of individuals yields an intricate mixture of motives which all serve as incentive to execute a certain job task. Since humans are complex creatures, their motives may be multifaceted and eventually based on an individual's

[1] Lee et al. (2011), 53

personal family history. Put differently, individuals sometimes desire to follow in the footsteps of a relative to pursue a job in a certain industry. Also, higher prestige, the feeling of being ethically good, idealistic and religious reasons, or merely materialistic considerations, can further account as incitements. The degree to which these motives are achieved, ultimately indicate an individual's attained utility and thus trigger his or her personal job performance. Hence, if a motive is perfectly satisfied, highest on the job performance can be expected. In that sense, motives play an essential part in determining a Third Sector employees' willingness to perform on the job.

While pursuing an organization's mission, institutions of the Third Sector are in competition with government and private sector providers. However, the Third Sector distinguishes itself from the other two institutions first and foremost through its moral work approach. The research therefore focuses on the sectors' Human Resources, and examines whether professionals and volunteers align to the organizations mission idea by exhibiting a moral, unselfish motivation.

While exploring motivational triggers for an employee's vocational choice, the analysis considers the impact of the idea of man. Since human behaviour is often linked to these ideas, the analysis will reveal, to what extent models such as the 'homo oeconomicus' or 'homo cooperativus' have impact on altruistic behaviour. Since the non-profit sector does not fit in the dominant model of the 'homo oeconomicus' and his profit maximising rationality, the analysis aims to discover the predominant behavioural pattern of Third Sector employees.

Theories on individuals' motivation recognize the multidimensionality of work motivation. Explored in the following paper is whether professionals or volunteers in the non-profit sector are rather motivated by intrinsic and extrinsic or altruistic and egoistic factors. These findings are particularly relevant, since information about work motivation helps explain the work-related behaviours of getting a job, keeping a job, and -most important for the organization- performing well at one's job. In the course of the analysis, the focus will be on the employee motivation in the Austrian non-profit sector.

1.2 Thesis Structure

In the first instance, the concept of altruism will be discussed. In the process, the origins of the term as well as its actual development are going to be observed. In particular, it is analysed how the concept could evolve among species, in a world dominated by Darwin's "survival of the fittest" [2] principle. By referring to the biological development of altruism in animals, the concepts' evolution among creatures descending from the homo sapiens is demonstrated.

Chapter 3 is dedicated to specific characteristics of the non-profit sector, which distinctly set it apart from market or governmental institutions. By highlighting two opposing explanatory approaches of the Third Sector, namely supply-side-theory and demand side-theory, the sectors emergence is specified. Further, the historical development of the Austrian non-profit sector is examined. In the course of the analysis, the historical emergence of the sector, its quantitative indicators as well as its unique features are depicted.

In addition, chapter 4 deals with the non-profit sectors' employment structure. It takes a look at the prevalent job types of unpaid volunteers and paid professionals and their respective impact on the Third Sector (e.g. in terms of generated income).

The mission idea that organizations ideally share and pursue in accordance with its employees is the focus of chapter 5. A perfect fit between an organization and its employees is perceived to maximize employees' performance. It is suspected, that the better the congruence between the two parties, the higher the motivational incentives for an employee. This ultimately leads to optimal job performance.

Lastly, chapter 6 introduces the ideas of the 'homo oeconomicus' and the 'homo cooperativus'. In the course of the explanation the theoretical origin and characteristics of the idea of men will be discussed. Implications resulting from these models are highlighted and limitations critically debated. Further, the intrinsic-extrinsic distinction of employee motivation is observed and its implications on human beings evaluated. The chapter further makes an excurse into the game theory where the existence of behaviour inconsistent with economists' definition of self-interest is measured in an

[2] Cunningham (2002), 2

experimental context. The observed behaviour is then used, to measure the existence and intensity of various forms of motivation, explicitly of altruistic and egoistic nature.

2 Altruism

2.1 Origin and Development of 'altruism'

The concept of altruism can be derived from the Latin word *alter*, meaning *the other one*.[3] It is generally used as an antonym for egoism and thus defines the interest in other humans' well-being. Although altruism is loosely defined, it is commonly agreed that it involves sacrificing ones own interests for seeking the welfare of others.

The expression was first brought up by the Frenchman, Auguste Comte in the 19th century.[4] Having used the term in fields such as sociology, social psychology and philosophy at first, it soon made its way into the linguistic usage of economical research. In literature on altruism of the early 1980's, it appears that behaviour that seems to be altruistic must ultimately be revealed as reflecting egoistic motives. Hence, the assumption questions the existence of altruism. Nowadays a paradigm shift has taken place. Today, it is widely accepted that altruism (i.e. acting with the goal of benefiting another) does indeed exist and is part of human nature.[5]

Nevertheless, scholars across different disciplines still have no common understanding of altruism and are found to define the term differently. An extreme position is assumed by the entomologist Edward Wilson who defines altruism as a "self-destructive behaviour performed for the benefit of others."[6] More generally, sociobiologists call behaviour altruistic if it benefits the actor less than the recipient. The economist Howard Margolis says, "(w)hat defines altruistic behaviour is that the actor could have done better for himself had he chosen to ignore the effect of his choice on others...."[7] Literature further notes that an unselfish act has to fulfil certain criteria to be considered as altruistic. That is, an "altruistic behaviour (a) must benefit another person, (b) must be performed voluntarily, (c) must be performed intentionally, (d) the

[3] c.f. Lichtenberg (2010)
[4] c.f. Carl (n.d.), 2 ff.
[5] c.f. Lichtenberg (2010)
[6] Wilson (1975), 578
[7] Margolis (1982), 15

benefit must be the goal by itself, and (e) must be performed without expecting any external reward"[8]. A similar definition comes from Desmond Morris' delivered in his book *Manwatching: A Field Guide to Human Behaviour*, by stating that "altruism is the performance of an unselfish act. As a pattern of behaviour this act must have two properties: it must benefit someone else, and it must do so to the disadvantage of the benefactor."[9] As the author further notes, altruism does not merely reflect a matter of being helpful, it is moreover the helpfulness at a cost to yourself. Altruism in general can be put on a level with unselfish action through which some people do sacrifice their lives for the sake of others.

Under those circumstances, an altruistic act can be to ones own disadvantage even if an individual does get some pleasure out of doing it. The tendency to regard pleasure as the only thing of value is one of the sinister results of utilitarianism[10], an idea introduced by Jeremy Bentham and his followers. Utilitarians believe that although sentiments such as happiness, pleasure, joy and satisfaction are not synonyms, they do all represent positively intrinsically feelings with similar values. Likewise are pain, suffering, unhappiness and agony convertible not only with that of other negative feelings, but with positive feelings too.[11] Therefore, utilitarianism believes that it is worthwhile to endure a certain amount of suffering now, if it ensures a greater amount of happiness later.

As a result, it is often argued that everything humans do that is considered to be altruistic in the traditional sense, is actually selfish in nature, since individuals constantly look to maximize their utility. Hence, altruism can be distinct between impure altruism, where the improved product is a private good, and pure altruism, where it serves as a public good.[12]

[8] Bar-Tal (1985), 5
[9] Morris (1977), 153
[10] Utilitarianism (also: utilism) is the idea that the worth of an action is determined solely by its usefulness in maximizing positive utility and minimizing negative utility as summed among all human beings. Thus, the worth of an action is determined by its outcome.
[11] c.f. Francois (2007)
[12] c.f. Francois (2007)

2.1.1 Pure altruism

Pure altruism on the one hand is a selfless concern for the welfare of others, without considering the benefits that the recognition of giving may bring. Pure altruists align their personal well-being solely to that of others. Generally speaking, they are happy when others thrive, sad when others are suffering.[13] Put differently, pure altruism is its own reward. Since pure altruism is perceived to be essential in establishing strong relationships, most societies highly acknowledge the unselfish nature of this behaviour.

2.1.2 Impure altruism

Impure altruism on the other hand, describes the case where altruistic behaviour may increase not only the recipient's utility, but also the altruistic individuals own utility. Performing an altruistic activity can e.g. lead to societal recognition, innate worth in individuals or serve to fuel egos.

Occasionally, altruistic behaviour may even increase spectators' utility. This means that there is a positive externality to the situation. Some economists argue that this level of altruism is smaller than the optimal level of purely altruistic behaviour.[14] To overcome the discrepancy and in order to reach an optimal level, the positive externality would have to be internalized. That way, every altruistic behaviour not only increases spectators' utility but also gives some benefit to the recipient.

Today altruism -whether pure or impure- can be found in almost every area of daily life, especially when interaction with other individuals plays an important role. Within economics, the idea of altruism is primarily used to identify an individual's behaviour in social dilemmas, as well as private and corporate philanthropy.

2.2 Evolution of 'altruism'

The controversial debate regarding altruism centers around the question how unselfish behaviour could evolve in the first place, either in animals or in human beings. The idea behind Charles Darwin's 'survival of the fittest' suspects that animals which are selfish in nature should be expected to be more likely to survive, and that therefore

[13] c.f. ibid
[14] c.f. Korenok et al. (2001)

any tendencies towards altruism should be extinguished in the gene pool.[15] Although the application of biological altruism to human beings is highly disputed, the concept helps to explain the evolution of unselfish behavior in individuals in the following.

Whether ideas about the evolution of behaviour in animals can be extrapolated to humans is a question that fuelled the sociobiology controversy of the 1980s.[16] The controversy arouse, since sociobiology expects behaviour to be at least partly inherited and selectable by natural selection. It assumes, that animals will act in a way that has proven to be evolutionary successful. However, unlike the behaviour of animals, human behaviour is influenced to a far greater extent by culture and is often the product of conscious beliefs and desires.[17] In general, humans behave more altruistically in a biological sense towards their close kin than towards non-relatives. It is also evident that humans tend to help those that have helped them out in the past, just as reciprocal altruism theory[18] would predict. The major component in which altruism of human beings differs from the one of animals is, that evolutionary altruism of animals is defined in terms of fitness, and not in motivating intentions. Consequently, an action performed with the conscious intention to help another individual may not affect the altruists biological fitness, thus in a biological sense would not count as altruistic. Conversely, an action undertaken for purely self-interested reasons, i.e. without the conscious intention of helping others, may boost an individuals biological fitness tremendously.[19]Since, numerous human behaviours seem anomalous from the evolutionary point of view, critics often assume that genes play the major role in determining human behaviour. After all, biologists accept that the ‘homo sapiens’ is an evolved species, and that at least partly, evolutionary principles apply to it.[20]

Regardless of whether the evolutionary approach of altruism to human behaviour is supported or not, there is no particular reason to conclude that evolution would have made humans into egoists rather than altruists. As findings show, evolution of altruistic behaviour is highly disputed among scholars. Reality shows that the vast

[15] c.f. Peressini (1983), 569 ff.
[16] c.f. Okasha (2009)
[17] c.f. ibid
[18] Reciprocal altruism, a concept that thrives to explain the evolution of cooperation as instances of mutually altruistic acts, describes a behaviour where an individual’s actions temporarily decrease his or her personal fitness for the sake of another human beings fitness. By acting unselfishly it is expected that the opponent will act in a similar manner at a later stage in life.
[19] c.f. ibid
[20] c.f. Okasha (2009)

majority of living creatures are neither capable of real altruism nor of real selfishness.[21]

3 Non-Profit Organizations

3.1 Characteristics

Besides every economies competitive nature there are still certain associations, so called non-profit organizations that are guided by an altruistic mindset. These organizations are legally constructed organizations whose primary objective is to support public and private interest without any monetary profit purposes.[22] If non-profit organisations get placed within the framework of the welfare triangle, they can be found in the social space between the state, the market and the community. The social space between these three institutions is occupied by a plurality of non-profit institutions differentiating themselves in terms of their formal/informal, for-profit/not-for-profit and public/private character. The closer an institution is to one of the corners of the triangle, the stronger is the impact of institutional rules and norms characteristic of that corner. The welfare triangle in figure 1 illustrates the relationship.

Figure 1: The Third Sector in the welfare triangle; Source: Defourny et al. (2008), 7

[21] c.f. Okasha (2009)
[22] c.f. Fleisch (1992)

As figure 1 indicates, non-profit organizations distinguish themselves from the market since they do not distribute surpluses to shareholders, but instead use the increment to help pursue its organizational goals. Principle aims of these organizations are to alleviate poverty and suffering, to foster the community with educational or health services and, in the case of international active NPOs, to promote development in less developed countries.[23] NPOs can be organized as a not-for-profit corporation, a trust, a cooperative, or an informal loosely knit organization. The organizational structures of NPOs are often very similar to private firms, and many of the tools developed to strengthen businesses and make them more profitable can be applied to increase the effectiveness of NPOs.

Regarding a steady increase of poverty and unemployment within the society, the demand for non-profit organizations worldwide has grown. Contrary to FPOs, NPOs primary objective is not profit generation but the fulfilment of a mission that pursues the aim of the institution. Nowadays, NPOs are playing a key role in the well-being of society, and their contributions are increasingly recognized by governments. They typically act as intermediaries between the community, the state and the market and are better suited to certain kinds of development work than most bureaucratic ministries.[24] Besides, NPOs often enjoy greater trust from the public than do most governments since it is anticipated that they address the needs of the community more appropriately. Additionally, they are perceived by the public as being more effective, responsive and flexible at delivering services than are governments. Thereby, a high recognition of the sector is in the NPOs' own interest, since it enhances the organization's ability to raise funds.

Critics on the other hand argue that NPOs are typically less effective and efficient than their for-profit counterparts since they do not face external pressure to perform.[25] In the absence of this simple bottom line, the proportion of costs spent on administration is often used as a proxy to determine organizational effectiveness. It is generally assumed that the smaller the amount of money spent on administrative costs, the greater the proportion of funding that reach the beneficiaries, and thus the more

[23] c.f. Sollis (1992), 163
[24] c.f. Sollis (1992), 164
[25] c.f. Lenihan et al. (2006), 412

effective the operation of any given NPO.[26] However, if only very little is spent on administration, the organization is too weak to be effective, whereas very high levels of administrative expenses suggest inefficiencies and significantly reduce the resources available to beneficiaries. The pressure to keep administrative costs low has a number of consequences. On the one hand it encourages NPOs to bury the excess costs under headings where possible, on the other hand, NPOs are forced to find other sources of income to make up for the shortfall of funds.[27]

Further, NPOs are not isolated systems. They hold up permanent relationships with their environment. On the input-side they gather operating resources such as employees, which are necessary to guarantee a smooth operation.[28] In general, NPOs tend to be staffed by hardworking and dedicated employees. However, many NPOs fail to capitalize on their employees qualities, because of their inadequate organizational structures. On the output-side, NPOs keep up constant relationships with their organizational members, which are helping them to generate funds, necessary for an organizations survival. Thus, these income streams are often uncertain and depend on a mix of donations from multilateral agencies or foundations, membership fees and the general public. While NPOs do compete with each other for funding, they are largely shielded from the main competitive force (i.e. profitability) that drives the private sector and that acts as a form of natural selection among businesses.[29]

Despite the huge success of NPOs in the past, the sector faces some deficits in terms of underdeveloped management structures.[30] In particular the sector lacks any useful or widely accepted measure of NPO performance. As a result, inefficiencies are hidden, which prohibits NPOs from setting clear goals and assessing progress towards them. Given the complexity of work and the difficult environment in which NPOs often operate in, it might be argued that they should have stronger and more developed management structures than for-profit businesses.[31]

Ownership is the quantitative difference between for-profit and not-for-profit organizations. Unlike NPOs, FPOs may be privately owned and re-distribute profits to

[26] c.f. ibid
[27] c.f. Edwards et al. (1992), 87
[28] c.f. ibid
[29] c.f. Lenihan et al. (2006), 413
[30] c.f. Lenihan et al. (2006), 412
[31] c.f. ibid

their shareholders by paying dividends or issuing stocks. In contrast, NPOs do not have private ownerships, instead they have controlling members and boards that care for the organization. Furthermore, NPOs retain earned surpluses for its self-preservation, expansion and future plans. Due to the non profit generating atmosphere, NPOs in most countries are exempt from income and property taxation.[32]

3.2 Terminology

The concept of a Third Sector is neither explicit nor universally accepted among different societies and in research. Due to several political arguments concerning legal and financial issues, so far NPOs did not manage to establish a common sector-identity. This inconsistency is reflected in the terminology describing the sector.

Besides expressions like non-profit organisation or non-profit sector, terms such as private voluntary sector, intermediary sector or third sector are commonly used to describe these associations. In literature the terminologies not-for-profit organization (NFPO), not-for-gain organization (NFGO), non-governmental organization (NGO), governmental-organized-non-governmental organization (GONGO), quasi-autonomous-non-governmental organizations (QUANGO), business-organised-non-governmental organization (BONGOs), funder-organized-governmental organizations (FONGOs) and political-non-governmental organizations (PONGOs) can further be identified to describe the same type of organization under differing wording.[33]

There is further a growing movement within the non-profit sector to define itself using a more proactive wording. Instead of being defined by *non* words, organizations suggest a new terminology to describe the sector. One of the expressions which has been used by a growing number of organizations is the term civil society organization (CSO). Additionally, citizen sector organization (CSO) has been advocated to describe the sector in a more proactive way as one of citizens, for citizens.[34]
As one can notice, the existing terminology offers a complex mixture of sometimes overlapping, sometimes contradictory terms and concepts for one and the same sector.

[32] c.f. Neumayer (2007), 14 f.
[33] c.f. Drayton (2007), 3 ff.
[34] c.f. Drayton (2007), 3 ff.

For the purpose of clarity this paper attempts to treat the diverse set of non-profit organizations as a more or less singular entity.

3.3 Representatives

As manifold as the sectors terminology are the fields in which these organizations are active. In today's society there is an immense diversity within the Third Sector. Non-profit organizations are active e.g. in arts and culture, in social services as well as in community related issues. Among others, most hospitals are organized as non-profit organizations, as are emergency rescues, development cooperations as well as sports clubs, higher educational institutions and nursery schools. Although all of these organizations are active in different fields, fulfilling a variety of societal tasks, they have a specific feature in common. Their peculiarity is that they are public regarding their organizational goals and intentions, but private with respect to their administrative structures.

Some international NPOs which are particularly well known for their social nature of activities conducted over the past include Amnesty International, Oxfam, Rotary International, the Red Cross and Red Crescent organizations, UNESCO, World Wide Fund for Nature and SOS Children's Villages.

3.4 Economic Explanatory Approaches

Why do organizations choose the institutional form of a NPO over the one of a FPO? The question can be answered by referring to the particular goods and services provided by non-profit organizations which highly differentiate from the ones provided by for-profit institutions. Thus, economical explanations regarding the emergence of a Third Sector, place NPOs within the context of scarcity and constraints.

The economic explanatory approaches can be distinguished between the supply-side theory and the demand-side theory. As for the supply-side theory it is assumed, that supporting an economy's ability to supply more goods by reducing regulations and barriers, stimulates economic growth. The demand-side theory traces the existence of NPOs back to insufficient or malfunctioning institutional arrangements. Accordingly, whenever markets and governments fail to provide satisfying goods and services to the consumer, NPOs are the preferred alternative. The two opposing perspectives regarding the sectors development can be seen in the following in more detail.

It is to stress that these economic explanatory approaches are highly controversial. Critics argue that the explanatory approaches show only limited validity, since in most countries the historical development of non-profit organizations took place way before market or governmental institutions emerged.

3.4.1 Demand-Side Theory

Perhaps the dominant theoretical perspective regarding the emergence of a non-profit sector has been the one developed by economist Burton Weisbrod who reconciles the persistence of non-profit organizations with classical economic theory[35]. Known also as the market failure/government failure theory or heterogeneity theory the thought is based on the observation that the market has an inherent limitation in producing public goods, i.e. goods that are available to all whether or not individuals pay for them.[36] Thus, for organizations it costs no more to provide a certain public good or service to many persons than it does to provide it to just one individual, „because one person's enjoyment of the good does not interfere with the ability of others to enjoy it at the same time".[37] Also, once the good has been provided to a certain person there is no way to prevent others from consuming it, leading to a free-rider mentality among individuals.

Assuming all individuals follow this logic and become free-riders, then only few goods will be supplied by the market, even though demand for the products is quite high. However, the market does not have an incentive to deliver if consumers only act rational and do not contribute financially towards the goods production.

This market failure theory is the justification in classical economy for the existence of governments, which have the purpose to satisfy demand for goods left

[35] Classical economic theory is associated with the idea that free markets can regulate themselves and thus stimulate the needs of the population.
[36] c.f. Anheier et al. (1990), 140
[37] Hansmann (1980), 848

undelivered by the market.[38] As Weisbrod points out, governments can perform this role in a democracy only when the majority of population supports the production of a particular good. Wherever significant differences of opinion exist it may be difficult to generate majority support and thus considerable unsatisfied demand for certain public goods may persist. Such government failure is most likely in heterogeneous populations, where differences of opinion are indispensable.[39]

Under those circumstances, people usually turn to non-profit organizations to secure them with the supply of goods. In many cases, non-profit organizations meet the unsatisfied demand for collective goods caused by market and governmental failure.[40]

Market failure is further favoured by asymmetric information. Since consumers face an evaluation difficulty regarding the quality of goods and services provided by private firms, they fear that they will fleeced by markets and governments. In contrast, a very different behaviour is associated with Third Sector organizations, with which consumers generally anticipate a non-opportunistic attitude. Due to a lacking profit orientation it is expected by individuals that NPOs do not take advantage of possible information asymmetry. Moreover these organizations are perceived as trustworthy and credible. Properties backing that conception are the organizations orientation on values and their pursuit of factual goals.[41]

3.4.2 Supply-Side Theory

Economic theories explaining the emergence of the Third Sector by the supply-side have mainly sought to determine the sectors existence by focusing on aspects such as altruism and ideology. According to the supply-side theory these two factors act as determinants of why people may wish to create or engage in non-profit organizations.[42]

To understand why individuals gift their time and effort to NPOs, some economists resorted to psychic benefits which human beings derive from their altruistic behaviour. Those benefits can range from the “warm glow”[43] that an individual receives

[38] c.f. Anheier et al. (1996)
[39] c.f. Salamon et al. (1996), 12
[40] c.f. Anheier et al. (1996)
[41] c.f. Finis Siegler (2001)
[42] c.f. Barrios (2008), 6
[43] Wallis et al. (2002), 3

for his or her contribution, to the deep belief that an individual deserves to feel good if they have made "some marginal contribution"[44] to the well-being of the society.

It is also argued that most people believe that free-riding is morally wrong and therefore feel obliged to support NPOs as much as those in their reference group. According to Rose-Ackerman, the supply-side model accords with the emergence of NPOs better, than the demand-side theory because it is based at least on some altruistic activity, even though this could be at an inefficiently low level.[45]

For economists it has presented a greater challenge seeking to explain the supply-side rather than the demand-side of the Third Sector, since the former is solely based on subjective matters which can only be determined imprecisely.[46]

3.5 Growth Trend

In 1976, Daniel Bell predicted that the Third Sector would become the predominant sector in society, as the knowledge class overcame the effects of the private sector.[47] This early finding presently holds true in a number of European countries.

In spite of the diversity, few general statements can be made on the Third Sector. Since estimates regarding the number of NPOs throughout the world vary so widely, mainly as a result of differing definitions and the absence of an official data gathering source, general figures appear meaningless. The problem becomes evident in Austria, where low-end estimates specify around 11.000 NPOs, whereas those at the high-end enumerate hundreds of thousands associations.[48] Regardless of the actual numbers, it is widely acknowledged that the sector has grown so rapidly worldwide over decades that it is often referred to by scholars as a "global associational revolution"[49]. This positive trend is expected to continue. With a growing Third Sector, the scope of work

[44] Rose-Ackerman (1996), 713
[45] c.f. Wallis et al. (2002)
[46] Rose-Ackerman (1996), 701
[47] c.f. Bell (1976), 147
[48] c.f. Neumayr et al. (2007), 4 f.
[49] John Hopkins Institute for Policy Studies (2011)

experienced significant expansion, leading to non-profit organizations becoming increasingly complex and diverse.[50]

Across Europe, it can be seen that less developed nations are found to have more traditions in terms of mutual aid and collaboration, than highly developed ones. Nevertheless, countries that so far only experienced limited development also lack the societies middle class which has proven inevitable for the growth of a Third Sector in the developed world. The middle class is particularly important since on the one hand, they have been quick to recognise the needs of the most under-privileged in the society; on the other hand this group has been amongst the first to invest their personal time and capital in the support of the community.[51]

As economies make the transition from developing to developed nations, the number of non-profit organisations is likely to increase. Also, the more diverse a given population, the larger the size of the non-profit sector.[52] This fact seems to derive from the need of various ethnic communities to preserve their own unique cultures and identities. This in turn can best be accomplished through the formation of a vast variety of non-profit organizations, supporting the increasing trend of the sector.

3.6 Economic Classification

The range of activities in which non-profit organizations engage are multifaceted. The scope of their pursuits varies widely, depending on the breadth of government involvement in social welfare. Ideally, the Third Sector expands his activities to fill the gaps left by the market and the state.

Regarding structure and function, NPOs feature such a huge variety that it seems difficult to find commonalities among the various associations. Consequently, scholars have long been trying to find a comprehensive categorization by which to classify organizations. In the process, two bases for classifying NPOs evolved. The first classification differentiates NPOs according to their economic activity. Thereby, NPOs are grouped analogous to the industry they operate in. The second classification assorts NPOs in terms of the mission pursuit by the organization.

[50] c.f. Hurwit and Associates (2011)
[51] c.f. Mittilä (2003), 5
[52] c.f. ibid

In 1992, first steps towards an internationally accepted classification were taken, to enable collection and structure of data in a cross country analysis that vary in their level of economic development, political, cultural and legal system, or by size, scope and role of their non-profit sector. The International Classification of Non-Profit Organizations (ICNPO) was originally developed by a team of scholars working on the Johns Hopkins Comparative Non-Profit Sector Project.[53] During the first phase, 13 different countries were involved in the classifications' development.[54] Countries observed included the United States, the United Kingdom, France, Germany, Italy, Sweden, Japan, Hungary, Brazil, Ghana, Egypt, India and Thailand. After a first draft, refinements were made to perfectly appropriate the reality. In the process, the classification was further revised by 11 countries.[55] Due to the large sample size used during the data acquisition, it can be concluded that the ICNPO effectively accommodates major differences of NPOs on an international level.

According to the International Classification of Non-Profit Organizations, institutions are classified primarily by their area of activity, rather than by their mission. Analysis reveals that the ICNPO system groups organizations into 12 major activity groups. These major activity groups are further divided into 24 subgroups, covering a number of more specific activities.[56] A detailed listing of the international classification according to the John Hopkins Institute can be found in the Appendix.

It can be seen that the ICNPO definition explicitly excludes cooperatives. This is widely disputed in Austria. It is argued by critics that in terms of a functional and historical perspective cooperatives account as the oldest kind of self-help organizations whose primary objective is the cooperation. Therefore, although economic interests of members are fostered, cooperations would have to be included in the classification.[57]

3.7 Unit of Analysis

As the economic classification is concerned, the fundamental issue in cross-national non-profit sector research is whether it is meaningful to talk about a distinctive

[53] c.f. United Nations (2003), 27
[54] c.f. United Nations (2003), 27
[55] c.f. United Nations (2003), 27
[56] c.f. Statistics Canada (2011)
[57] c.f. United Nations (2003), 22

sector at all. Sceptics contend that no such entity really exists, since different types of non-profit organizations exist in different national settings. They argue that comparisons at the sector-wide level are impossible and misleading.[58]

Thus, for the purpose of clarity, the upcoming analysis on motivational aspects of individuals focuses mainly on the Austrian non-profit sector.

3.8 Austria's Non-Profit Sector

3.8.1 Historical Development

The Third Sector has a long tradition in Austria, with many of the non-profit organisations active today dating back to the 19th century.

A cornerstone for the formation of the Third Sector in Austria was the law on registered associations, which got established in the year 1867.[59] The law allowed people to officially engage in civil society contingencies. During that time, a noteworthy network of associations developed particularly in and around Vienna. This regional concentration is unchanged till today. Up to the year 1914, the most notable types of these early associations were charitable societies and saving clubs. These two types of associations resemble the lack of a public social security and the urge of the working class to save for unforeseen happenings.[60]

During World War I, the activities of the non-profit sector diminished. However, the sector recovered and grew quickly afterwards. In the Interwar Years (1918-1934) NPOs played an important role in disseminating fascist thoughts in Austria.[61] Thus, these associations served to disguise political activity and contributed to keep fascist ideology publicly unnoticed before emerging across the board.

The steady increase in the number of NPOs came to a sudden end in 1934, when the Social Democratic Party (SPÖ) and institutions linked to it were dissolved and any form of activity forbidden.[62] With the Era of Austro-Fascisms setting in, the Third Sector faced difficult times.[63] While institutions with undesired aims were either shut

[58] c.f. Salamon et al. (1996), 3
[59] Neumayr et al. (2007), 1
[60] c.f. ibid
[61] c.f. ibid
[62] c.f. Neumayr et al. (2007), 1
[63] c.f. ibid

down or brought in line with nationalistic goals, organizations with nationalistic goals served the regime to influence its citizens. As a consequence, membership in NPOs affiliated to the regime was partially obligatory, since they contributed to the diffusion of Nazi culture.[64]

After World War II and with the formation of the Second Republic in 1945 a further reinvigoration of the Third Sector was influenced by political parties such as the Social Democratic Party and the conservative Austrian People's Party (ÖVP) who supported the foundation of NPOs. This affiliation constituted the basis for Austria’s corporatist system today. However, since after World War II many registered organizations were primarily active in the periphery of political parties, the impact of political forces on the Third Sector was henceforth less noticeable.

The sector further prospered with the ecological, cultural and political awareness that had been developed throughout the 1960s.[65] As a result, numerous organizations, charity associations and self-help groups emerged, of which many were also active internationally.

From then onward, the number of registered associations in Austria increased steadily, mainly because of the sectors sensitive reaction to environmental and societal circumstances which influence the well-being of society. Exemplary for the Austrian sectors sensitive reaction towards his environment is the war in former Yugoslavia at the beginning of the 1990s. While the nationals of Yugoslavia faced suffering, Austria founded several organisations active in refugee assistance to support their relief.[66] Further examples can also be found within the Austrian borders. One of the most recent occasions that unleashed a wave of emerging organizations dates back to the year 2000, when in the course of the protests against a new right-wing government, a great number of initiatives were founded within the Austrian Third Sector.[67]

Despite a long tradition of the Austrian non-profit sector and its important role in terms of social and economic affairs, society today is still not very aware of the sectors’ dimension.

[64] c.f. Neumayr at al. (2007), 2
[65] c.f. Neumayr at al. (2007), 2
[66] c.f. ibid
[67] c.f. ibid

3.8.2 Quantitative Indicators

As in many other countries, quantitative information on NPOs in Austria is fragmentary. One reason for the scarcity of data is the fact that NPOs form a very heterogeneous group, i.e. with respect to their legal status. Therefore, organizations in Austria are not recorded in a single official register, but across several, which are neither integrated nor publicly accessible.

Additionally, due to their special legal and economic status, many NPOs are not required to register in administrative indices at all, which often form the basis for business statistics. Those NPOs that do register often cannot be filtered out from the mixed pool of FPOs and NPOs. Consequently, it is not known how many of the organisations in the business register are in fact non-profit. Hence, the economic relevance of the Third Sector cannot be determined from official statistical sources.[68]

First attempts to investigate the economic impact of the Austrian non-profit sector were made in 1995, when Statistik Austria and the Institute for Social Policy of the Vienna University of Economics and Business Administration conducted a joint study to capture the economic and societal relevance of the Austrian Third Sector.[69]

The upcoming elaboration of the sectors economic relevance further considers the Austrian workplace and business census from the year 2001, and a dedicated research on the non-profit sector by the John Hopkins University.

In the following, input-indicators (e.g. employment figures of professionals and volunteers) as well as output-indicators (e.g. spending, share of GDP) are used to describe the economic relevance of the Austrian non-profit sector in depth.

3.8.2.1 Economical Relevance

In 2006, the entire Austrian non-profit sector achieved a total revenue of 4.48 bn. Euro. Measured solely by achieved revenue, the Third Sector is far more important than industrial sectors such as agriculture and forestry (3.55 bn. Euro), food/beverage and tobacco (4.45 bn. Euro), or vehicle manufacturing (3.73 bn. Euro), which boast far

[68] c.f. Neumayr et al. (2007), 3
[69] c.f. Neumayr et al. (2007), 3

smaller revenue streams.[70] The total contribution of non-profit activities towards the Austrian gross domestic product accounted for 1,4% in 1999, increasing to 5,7% in 2010.[71]

In the case of Austria, the field of 'social services' (including hospitals, nursing homes and rescue services) accounts for the most significant area of activity. Measured in terms of produced output (3.95 bn. Euro) and total employment relationships (approx. 99.648 employees), the branch shows by far the highest figures.[72]

Regarding the non-profit sector funding, the entire Third Sector is financed at 34,9% by membership fees.[73] Membership fees are an especially relevant source of income in the fields of 'culture/sports/recreation'. Another 27,1% of total revenue result from public funding. Among the entire Third Sector, 'education' and 'social services' are found to be most dependent on public sector funding. Within these branches, approximately 60-70% of funds stem from public sources.[74] The fact that many of the funds are only granted for a short period of time is highly problematic, since it hinders NPOs to plan their operations in the long term.
The following graphic depicts the distribution of income streams in the case of the Austrian non-profit sector.

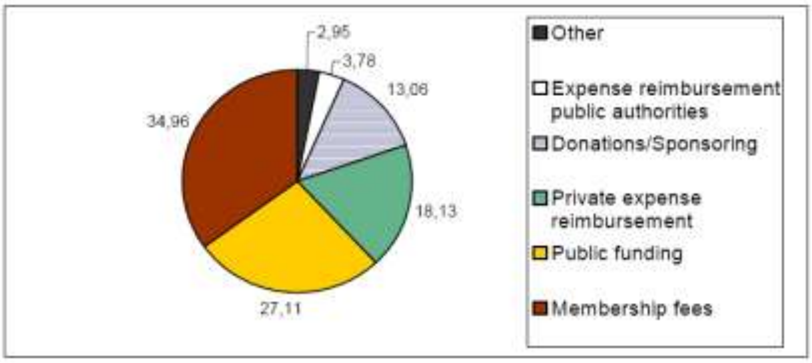

Figure 2: Non-Profit Sector Funding;
Source: Anastasiadis et al. (2006), 9

[70] c.f. Statistik Austria (2008 a)
[71] c.f. Leeb (2003), 4
[72] c.f. Statistik Austria (2008b)
[73] c.f. Anastasiadis et al. (2006), 9
[74] c.f. Neumayr et al. (2007), 6

As the graphic shows, 18,1% of the overall sector funding descends from private expense reimbursement, with another 13% originating from donations and sponsoring. As can be seen, donations and sponsoring are generally of minor importance. However, its predominance varies significantly across different fields of activity. For NPOs active in the field of 'culture/sports/recreation', sponsoring accounts for the major income stream constituting 29% of generated revenues.[75] Even more significant is the impact of sponsoring on 'international activities', where roughly 74% of total revenue is generated by that modality.[76]

In terms of overall sector funding, the minority stems from public authorities (3,7%) and other income streams (2,9%).[77]

3.8.2.2 Market Share

According to the workplace and business census of the Statistik Austria in 2001, 11.095 out of a total of 396.270 units in Austria were identified as NPOs.[78] That means that approximately 2,8% of all units in Austria belong to the non-profit sector, 5,2% to the public sector, and the large majority of 92% to the market sector.[79] Thus, there is one NPO unit for approximately every 34 for-profit units.[80] However, due to the narrow definition of NPOs used throughout the census, and the fact that local units without paid employees were not accounted for in the census, the number of NPOs seems to be extremely underestimated. Also, the number of units alone does not seem to be very meaningful when measuring the relevance of the sector, since the size of the units may differ substantially.

Therefore, rather than considering the sheer quantity of organizations, the number of employees is often used as a benchmark for any comparison between sectors. One such example where employees serve as a benchmark in determining the importance of a branch can be observed in 'social services'. In social services, NPOs play a dominating role since their employees fill 58,58% of all positions in that branch. A field where non-profit organizations provide by far the highest amount of employees

[75] c.f. Neumayr et al. (2007), 8
[76] c.f. ibid, 7 f.
[77] c.f. Anastasiadis et al. (2006)
[78] c.f. Neumayr et al. (2007), 9
[79] c.f. ibid, 9
[80] c.f. Statistik Austria (2004), 39

compared to the for-profit sector, is ‘health care’.[81] On the other hand, in the field of ‘educational institutions’ NPOs provide a mere 16,3% of available positions within the entire branch. In that case, the public sector seems to be the dominant provider of employees.[82]

3.8.3 Features

Austria’s non-profit sector distinguishes itself from that of many other countries by two distinctive features. These two characteristics are the countries principle of federalism and its strong influence of political parties.

Given that Austria is a federal state, NPOs can either be organised at federal or state level. Organisations at the federal level thereby often have a relatively weak position compared with organisations at the state level, since the latter usually enjoy greater autonomy.[83] Being organised on a federal level may also lead to the fact that certain organizations are less known to the society and consequently receive fewer donations.

Another typical feature of Austria’s non-profit sector is the influence of political parties, notably the countries’ People Party (ÖVP) and Social Democratic Party (SPÖ) which can be explained by the nation’s historical background. Today, the SPÖ and ÖVP still back the formation of organisations that offer support to their parties’ clientele. Hence, an organizations close contacts with politicians and public officials facilitate access to public funding more easily.[84] However, for young NPOs that cannot be linked to a specific party, it often turns out to be very difficult to become established.

3.8.4 Acceptance of the Non-Profit Sector across Europe

The volume of organizations represents a vital component of the Austrian civil society. They account as part of a nation’s culture and give further support to the widespread principle of self-help. The acceptance of the Third Sector is therefore essential for the prosperity of the organizations.

A research dedicated to the acceptance of the non-profit concept across the European Union was undertaken in the year 2005 by Rafael Ávila on behalf of the

[81] c.f. Neumayr et al. (2007), 4
[82] c.f. Hagleitner et al. (2005)
[83] c.f. Neumayr et al. (2007), 2
[84] c.f. Neumayr et al. (2007), 3 ff.

European Economic and Social Committee. The question, whether the non-profit sector is acknowledged in a certain country was posed to a selected audience. This included among others, university scholars, professionals from the federative structures of the sector and officials from the national public administrations with powers in the field of the Third Sector.[85]

To rank the answers, the degree of acceptance has been divided into three relative levels indicating no acceptance of the concept (*), as well as a medium (**) and high level of acceptance (***). Table 1 states the results regarding the acknowledgment of the Third Sector concept across various European Union member states.

Country	Acknowledgement of a Third Sector concept
Belgium	**
France	***
Ireland	***
Italy	***
Portugal	***
Spain	***
Sweden	***
Austria	**
Denmark	**
Finland	**
Germany	*
Greece	**
Luxemburg	**
The Netherlands	*
United Kingdom	*
Cyprus	**
Czech Republic	**
Estonia	*
Lithuania	*
Malta	***
Poland	**
Slovakia	**N/A**
Slovenia	**

Ranking: * low acceptance, ** mediocre acceptance, *** high acceptance

Table 1: Acceptance of the Non-Profit Sector across Europe;
Source: c.f. Ávila et al. (n.d.), 36

[85] c.f. Ávila et al. (n.d.), 36

As the table shows, the non-profit sector is highly acknowledged in countries such as France, Italy, Portugal and Sweden. Sweden, like most other Scandinavian countries, has a reputation for being a leading welfare state with a stable labour market and a high degree of social protection.[86] Researchers analyzing the Scandinavian welfare model emphasized the relatively high social service standards, as well as the commitment to universalism and equality. The non-profit sector is further viewed as an integral part of the democratic civil society and an instrument for promoting mutual and individual interests. Today, relations between the state and non-profit organizations are characterized by cooperation, rather than by competition, leading to the sectors high acknowledgement across the society.[87]

For countries like Italy and Portugal, the Roman Catholic Church played an important role in achieving the sectors high acceptance as it can be experienced today. In these countries the church's impact on the development of a non-profit sector has been significant. This can be traced back to the Christian ideal that people need to act in a way "deserving of God's mercy."[88] The religious belief established a set of moral imperatives through which a number of NPOs were inspired.

As for countries such as Austria, Luxembourg and Belgium, a mediocre acknowledgement of the Third Sector can be observed. In terms of Belgium, the non-profit sector is a result of the countries' welfare state model adopted after World War II.[89] The model, which is said to be a combination of the principle of subsidiarity and centralized public administration, facilitates cooperation between non-profit organizations and governmental agencies to provide social welfare services. Thus, Belgium's non-profit sector depends heavily on governmental sources of funding.[90] The high dependence on state funding suggests that the sector is prone to governmental policy making, leading to scepticism among the society and thus only mediocre acceptance of the sector.

Among countries with a low acceptance of the non-profit sector are the UK and Germany. During the 'European Association for Philanthropy and Giving' event in

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[86] c.f. Lundström et al. (1995), 19
[87] c.f. Defourny et al. (2008), 33
[88] Franco et al. (2005), 22
[89] c.f. Franco et al. (2005), 5
[90] c.f. Mertens et al. (n.d.), 50

2011, it was asserted that the low acceptance of the Third Sector in case of the UK can be traced back to the hugh scepticism of the society towards NPOs. The sector is often perceived as not being able to cure society’s issues. Even more severe is the finding that the majority of citizens believe that the non-profit sector often ameliorates social and economic problems, rather than solving their root causes.[91] This lack of confidence results in the fact, that the non-profit sector is receiving only low acceptance from the UK citizens.

4 Occupational Employment in the Austrian Non-Profit Sector

With the rise of non-profit operations since the 1990s, the nature of mandates and missions has changed. As a result, NPOs with new divisions of labour, more occupational groups and more demanding task profiles evolved, leading to some fundamental ramifications for staff.
Since NPO’s owe it to their hard-working and dedicated people to translate the efforts into meaningful outcomes, it is essential that organizations are run by individuals with the right skills and motivational aspects.[92]

Unlike in market and governmental institutions, Human Resources in non-profit organizations are coined by a differentiated personnel structure made up of paid professionals and unpaid volunteers. However, capacity building is an ongoing problem faced by NPOs. Since most organisations rely on external funding (e.g. donations) to maintain their operations, changes in the revenue stream may significantly influence the reliability with which the organization can hire and retain staff. In addition to the unreliable funding, job insecurity and individual overload caused by long hours and low pay, lead to personal problems such as employee burnout-syndromes and high turnover rates within the organization.

[91] c.f. Hudson (2011)
[92] c.f. Lenihan et al. (2006), 422

4.1 Employment Structure

The non-profit sector accounts for a growth industry whose job market shows unique characteristics. Correspondingly, employment is distinguished to a large extent by female employment as well as part-time and marginal contracting.

According to empirical data by the Vienna University of Economics and Business Administration, 170.113 individuals in Austria account for professional fulltime equivalents (FTE) in the non-profit sector.[93] The total amount of individuals employed is perceived to be far higher, depending on the type of employment contract assumed for calculation i.e. full-time, part-time or marginal employment. Apart from that, about 220.000 Austrians engage voluntary on a formal basis. If that number is converted into fulltime equivalent positions they accumulate to approximately 116.500 formal volunteers. Thus, the total number of individuals engaging formally in the Third Sector -either as professionals or volunteers- amount to 286.613 FTE.[94]

In the case of Austria NPO employees make up 4,5% of the entire workforce.[95] This percentage is higher than the share of NPO units as a percentage of all workplaces (2.8%).[96] It leads to the conclusion that the non-profit sector demands a higher intensity of labour. Of the 5,7% of GDP generated per year in the non-profit sector, 4,7% can be traced back to paid employees while the remaining 1% result from the effort of formal volunteers.[97]

In the worldwide context, Austria’s total employment rate in the non-profit sector accounts for 4,5% and is thereby slightly above the European average.[98] The average non-profit sector employment rate (as percentage of total population) over 22 countries is as high as 4,8%.

The following graphic by Annette Zimmer and associates from the year 2000 illustrates Austria’s position in terms of their Third Sector employment rate in comparison with other selected European Union (EU) member states.

93 c.f. Wirtschaftsuniversität Wien (2011)
94 c.f. Wirtschaftsuniversität Wien (2011)
95 c.f. Zimmer et al. (2000), 7
96 c.f. Neumayr et al. (2007), 9
97 c.f. Leeb (2003)
98 c.f. Avila et al. (n.d.), 45

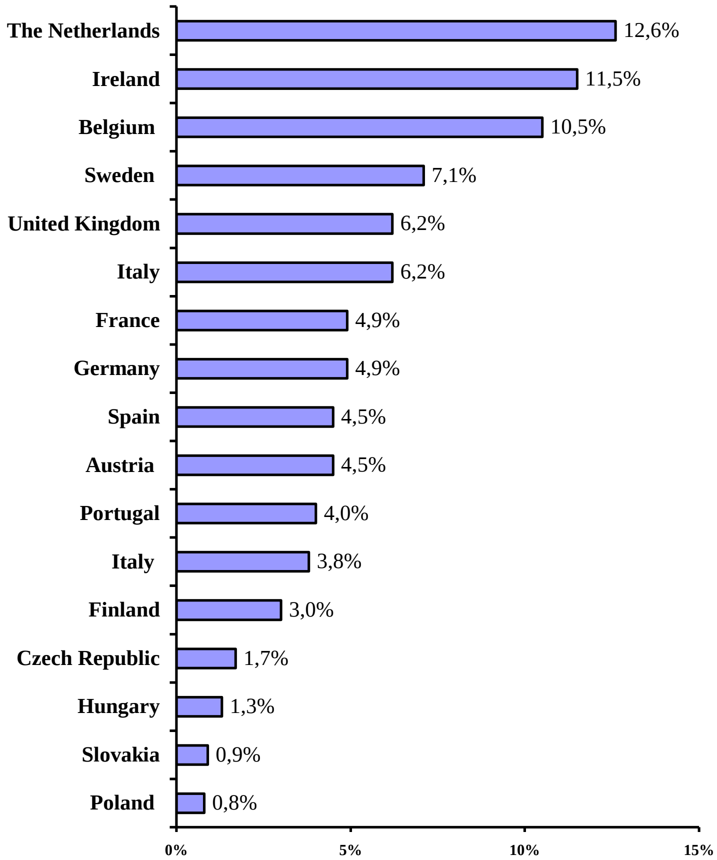

Figure 3: Non-Profit Share of total employment (in %);
Source: c.f. Zimmer et al. (2000), 7

The table is headed by countries such as The Netherlands and Ireland where the Third Sector is an important component of the society since it provides a multiplicity of employment opportunities. Among the 22 European countries observed, the Netherlands show off the largest employment rate. A total of 12,6% of all citizens are employed by one of the several NPOs.[99] In Sweden, where 7,1% of the entire population find employment within the Third Sector, non-profits are highly accepted and associated with backing a social change towards progressive policies.

The middle field is made up of countries such as Italy, Germany, France or Austria where the Third Sector is increasingly viewed as a primary source of employment. However, many units that would usually act in form of a NPO are under governmental control, especially educational institutions, diminishing the amount of

[99] c.f. Zimmer et al. (2000), 7

people employed within the Third Sector. This leads to only mediocre employment figures in the sector.

Towards the end of the list, recent EU member states of Eastern Europe can be found. In countries such as Poland (0,8%), Slovakia (0,9%) and Czech Republic (1,7%) employment in the Third Sector makes up for only an insignificant amount of the entire workforce. The findings indicate a general policy crisis fueled by the lack of substantial knowledge about the non-profit sector.[100] In most of the Eastern European countries, the non-profit sector emerged only very lately, even so the construct of a Third Sector already existed, they operated as an extension of state policy. Thus, when an organization operated at “cross-purposes to the paternalistic dictates of the state, they were forbidden or eliminated.”[101] In addition, the dependence on foreign funding may have resulted in a sustainability crisis in several Eastern European countries. This may cause individuals to prefer a job with the market or government, than with a NPO, since income streams are secured. This background constitutes for the still low employment rate of non-profit personnel across Eastern Europe.

4.2 Differentiation of Job Types

Generally, employment within the non-profit sector is differentiated in two groups showing off very distinctive features, namely unpaid volunteers and paid professionals. Thereby, volunteers stand in sharp contrast to professionals, since even with intensive commitment they only exert part of their time and manpower serving the organization while their main responsibilities remain outside the NPO.

On the other hand, qualification of professionals within a NPO is secured, since recruitment takes place according to objective criteria. Organizations also face a relative bigger replacement opportunity of professionals compared to volunteers. The latter who only engage on a voluntary basis cannot be benchmarked against agreements in a working contract. Since contracts are non-existent in this work relationship, an organizations’ action is limited, in case unsatisfied work gets delivered by the volunteers. The contracts between professionals and organizations serve in a way, that

[100] c.f. Kuti (2010), 53 ff.
[101] Mayer (2002)

also unpleasant work will be executed due to the incentive salary on the one hand and sanctions on the other.

Although in both tenures a high fluctuation is evident, professionals tend to stick to the company for a little longer.[102] Even though structural conflict among volunteers and professionals may arise, NPOs can hardly exist without professionalization once they have reached a certain size. Despite contrasts also shared interests among the two occupational groups exist. What both parties have in common is the mutual pursuit of an organizations mission.

Volunteers, who are sacrificing their spare time to serve a good cause, are seen to be a priori altruistic. As for professionals, these incitements are less evident. Thus, the following analysis will have to differentiate palpably between these two groups.

4.2.1 Unpaid Volunteers

Voluntary work is an activity executed unsolicited and without remuneration. It is further distinguished between formal and informal activity. Formal activities are all those activities carried out within the framework of an organization, aiming at individuals outside the volunteers own domestic home. Informal activities, often referred to as neighbourly help, are carried out without the framework of an organization. The following analysis on Third Sector employment merely considers formal volunteers.

Voluntary workers often have a disadvantage compared to professionals since the latter have more comprehensive information and deeper skill knowledge of organizational practices.[103] Furthermore, due to a more time intensive engagement, professionals have a structural superiority over volunteers. Nevertheless, the mere definition of voluntary work does not predicate anything about the individuals' qualification level or the intensity of their engagement. The scope of activities in which formal volunteers participate is manifold and can ranges from administrative tasks to management responsibilities. The distribution of volunteers over the various fields of activity is hardly comparable between studies, since different categorizations are used.

[102] c.f. Schütte (2000), 129
[103] c.f. Von Eckardstein (1999), 258

In total, the number of active volunteers in the Third Sector is slightly higher than the number of professionals. However, professionals execute a larger amount of working hours, leading to a relative majority. The importance of voluntary work for NPOs can be derived from the fact that 61% of organizations use -in addition to their professional employees- unpaid volunteers.[104]

Across Austria significant regional differences can be observed in terms of formal volunteering rates. Figures reveal that the highest amount of formally active population can be found in regions with a low population density. Upper Austria thereby displays the highest participation rate among all nine federal states namely 34,1%, while the capital city of Vienna displays the lowest rate with 14%.[105] The low rate can be explained by the fact that high population density reduces attachment to the community. With a rising level of anonymity across society, community bonding becomes increasingly difficult, leading to a negative impact on the volunteer rates.

Additionally, data reinforces that the level of involvement among citizens with a high educational background is far more significant than with low education. With 44,9% of volunteers being graduates of higher institutions, they make up the majority in NPOs.[106] In contrast, 19,4% of volunteers only experienced compulsory education.[107] Education is one of the most important influences on a community's volunteering rate, since individuals with a higher education become more easily aware of how their action can positively effectuate their periphery. Research has shown, that as educational levels increase, the likelihood of volunteering rises in almost the same manner.[108]

4.2.2 Paid Professionals

The majority of employees in the non-profit sector fall into the category of paid personnel including full-time, part-time or marginal positions. The data acquisition by Michael Meyer and his associates revealed that of the 170.113 professionals about 16,3% work in the field of 'education', with another 58,58% engaging in 'social services' (e.g. hospitals, nursing homes). The remaining non-profit personnel work in

[104] c.f. ibid
[105] c.f. Statistik Austria (2011)
[106] c.f. ibid
[107] c.f. ibid
[108] c.f. US Government (2008)

the field of ‘research and development’ (1,03%), ‘sports/ ,culture/leisure’ (3,91%) and ‘others’ (20,19%).[109] The collection of data can be extracted from table 2.

Field of activity	Absolut number of employees	Relative number of employees (in %)	Female employees (in %)	Part time employees (in %)	Marginal employees (in %)
Research and Development	1.750	1,03	58,79	38,19	4,86
Education (e.g. child care, primary/secondary schools, adult education)	27.721	16,30	88,63	46,40	5,56
Social Services (e.g. hospitals, nursing homes, emergency rescue)	99.648	58,58	72,93	57,86	3,51
Others (e.g. Special interest group,environmental protection associations)	34.351	20,19	65,85	44,57	13,32
Sports, Culture and Leisure	6.643	3,91	41,46	27,55	20,67
TOTAL	170.113	100,00	74,02	55,67	4,28

Table 2: Amount of non-profit personnel in Austria
Source: c.f. Meyer et al. (2010), 37

As the table indicates, a large amount of employees are women. In 2006, female activity on average accounted for 74% of all positions within the sector.[110] Across the various economic fields, huge differences can be observed. A closer examination of the NPO gender structure shows that some fields of activity and certain functions are almost entirely run by women. Consequently, the highest concentration of women is employed in the educational branch (88,63%), followed by the social service branch with 72,93%

[109] Meyer et al. (2010), 37
[110] c.f. Meyer et al. (2010), 37

of all individuals being female.[111] On the other hand, the sports/culture/leisure branch can be seen to be a man's business.

As it is the case in the entire economy, the share of women at executive level is at a still modest level. Although, with 43,8% the share is lower than the total number of females employed in the sector, the rate is quite considerable (28%) compared with the number of women in leadership positions across the entire economy.[112]

When observing the gender-specific differentiation it can be said, that the Third Sector is distinctly a women's sector. Across all other sectors of the economy, women employment in Austria is still a minority and accounts for 44,5% in that same year.[113] This matter of fact allows the assumption that compared to men, a greater percentage of women hold up an altruistic behaviour. The large amount of women employment has extensive impact on the contractual composition of paid employment in the NPO sector. Due to family commitment many females only take on part-time or marginal positions. The finding is also reflected in the organizations vast amount of part-time (56%) and marginal contracts (4%).[114] Consequently only 40% of employees are signed under a full-time contract.

4.3 Employment Trend

Between 2000 and 2005 the Austrian non-profit sector was characterized by a positive employment trend. While 38% of organizations increased the amount of available positions, 8% had to reduce the quantity of paid positions. Over half of all surveyed NPOs continued unchanged (54%).[115] Among the various sectors, huge differences regarding the employment trend could be observed. The majority of surveyed organizations engaging in 'research and development' stated a decrease of the total amount of individuals employed.

[111] c.f. Meyer et al. (2010), 37
[112] c.f. Anastasiadis et al. (2006), 11
[113] c.f. Statistik Austria (2008 b)
[114] c.f. Meyer et al. (2010), 37
[115] c.f. Statistik Austria (2008 a)

A completely different trend can be experienced in the field of ‘social services’ where 61% of organizations prospered and thus increased their hiring rate.[116] The increased demand for non-profit organizations suggests a changing demographic structure within the population. An aging society like Austria’s has a mounting necessity for non-profit personnel to cover vacant positions.

In most countries, the same observation holds, even during economical downturns. Non-profit job growth during the recession, hitting Austria in late 2008 was stronger than ever. While the number of employees dropped drastically in the market sector as a reaction to the shrinking demand for products and services, non-profit job growth increased, especially in the health and social sector.[117]

Whether people are engaging on a professional or voluntary basis, NPOs need to attract like-minded individuals that share goals and values with their respective organization.[118] The upcoming section is dedicated to the fit between an individual and its organization, especially in terms of mission-congruence.

5 The “Mission-Idea”

5.1 The “Mission-Idea” of Non-Profit Organizations

The purpose of any business is a highly debated topic amongst researchers. Many would describe an organizations bottom line simply as to make as much profit for the shareholders as possible. However, there are many contrasting views which explain that profit is not the primary purpose and moreover a result of an organizations performance. In terms of organizational purpose non-profits differ substantially from for-profit organizations. In that case, the generation of shareholder value is neglected in favor for being ethically good. The purpose thus incorporates the values and interests that drive the organization and reflects its mission. Many organizations have mission ideas, which are not simply articulations of objectives but refer to a positive statement of what the organization will accomplish or become. This mission may often refer to an idea that is supported by hope.

[116] c.f. Statistik Austria (2008 a)
[117] c.f. Alteneder et al. (2009), 7
[118] c.f. Cyril (1995), 514

Accordingly, within the Third Sector, the mission is generally expressing an organizations ideology of being ethically good. The word ideology was coined by Destutt de Tracy in 1796, assembling the parts *idea* and *–logy* (Greek for doctrine, theory and science).[119] The concept gained further importance during the political debates of the French Revolution. Since then, the term has been used to refer to ideas in the context of their interest orientation and as worldviews arising from a general societal spirit. Ideology can be thought of as a comprehensive vision which is essential for non-profits, since it serves as a timeless guiding principle when aiming to achieve its organizational purpose. Ideology is also often referred to as a set of beliefs that back a certain social institution, expresses dissatisfaction with the current state and aspires to be some future state.[120] An organizations ideology is therefore seen as a cornerstone of activism and hope.

Likewise, literature treats ideology as essential for organizational culture. Organizational research therefore specifically featured ideology. A widely accepted depiction comes from Janice Beyer, who considered "ideologies to be a relatively coherent set of beliefs that bind some people together and that explain their world in terms of cause-and-effect relations."[121] The literature further describes ideology as "integrated clusters of […] values, rituals, and symbols"[122] which reflect the social experience in a particular context at a particular time.

Similarly, Abravanel defined organizational ideology as "a set of fundamental ideas and operative consequences linked together into a dominant belief system […] serving to define and maintain the organization".[123] William H. Starbuck, an organizational scientist stated, that „ideologies are logically integrated clusters of beliefs, values, rituals, and symbols"[124] that come to be attached to an organization or group. Thus, ideology can be interpreted as focused on shared norms and beliefs. The concept of ideology is further in good agreement with a definition given by Melvin Hinich and Michael Munger who are describing ideology as an "internally consistent set of propositions that makes both proscriptive and prescriptive demands on human

119 c.f. Online Etymology Dictionary (2010)
120 c.f. Courville et al. (2004)
121 Beyer (1981), 166
122 Starbuck (1982), 3
123 Abravanel (1983), 274
124 Starbuck (1982), 3

behaviour”[125], thus making implications of what is ethically good and bad. As a result, ideologies are the basis for organizational performance, particularly for non-profit institutions, which serve to fulfill a certain unselfish mission.[126]

Throughout the following observation, ideology and altruism are considered two central issues to understand the non-profit sector, where altruistic motives and ideological commitment of individuals come together to support an organizations mission.[127]

5.2 Impact of Organizational Culture

One of the primary responsibilities of NPOs is to create and maintain a mission-idea that encourages collective effort. Perhaps the most fundamental mechanism in communicating the mission is by an organizations ideology, which is inherent in the organizations culture.

Already Edgar Schein, author of *Organizational Culture and Leadership: A Dynamic View,* suggests that an organizations culture helps pursue its ideological aim.[128] As a result, organizational culture has been studied from a variety of disciplines. To this day there is no single definition for the construct.[129] Organizational culture is sometimes referred to as a “set of understandings or meanings shared by a group of people that are largely tacit among members and are clearly relevant and distinctive to the particular group which are also passed on to new members.”[130] Another definition comes from Janice Trice and Harrison Beyer stating that an organizational culture is any “social system arising from a network of shared ideologies consisting of two components: substance-the networks of meaning associated with ideologies, norms, and values; and forms-the practices whereby the meanings are expressed, affirmed, and communicated to members”.[131] To what the authors refer to as ‘substance’ describes culture as implicit in social life. It is what naturally emerges, as individuals transform themselves into social groups. The second component of organizational culture that is

[125] Hinich et al. (1994), 11
[126] c.f. Moberg (n.d.)
[127] c.f. Rose-Ackerman (1997)
[128] c.f. National Defense University (n.d.)
[129] c.f. National Defense University (n.d.)
[130] Louis (1985)
[131] National Defense University (n.d.)

defined as ‘form’, is the idea that culture is an explicit social product arising from social interaction either as an intentional or unintentional consequence of behaviour.[132] Forms comprise of distinct observable forms (e.g. the use of symbols, ceremonies and customs) that groups of people create through social interaction.

People are vital in the success of an organizational mission, since cultures are created, maintained and transformed by the individuals within the organization. Therefore, employees are the principle source for the articulation of an organizations ideology.[133] For the Third Sector it is therefore relevant that employees share the same culture with their organization (i.e. in terms of ideology), since its congruency is having a positive impact on an individuals performance and thus enhances the likelihood that an organization achieves its mission.[134]

5.3 Employees between Personal Behaviour and Organizational Culture

Since the organizational structure of a non-profit organization is having a high orientation on ideology and moral, non-profit personnel must ensure they cultivate the values and perspectives that act as a bottom line in the Third Sector.[135]

Empirical evidence of organizations is given that non-profits with clear ideologies had been more successful than organizations in which ideologies were of an ambiguous nature. It is concluded that “consensus and strong adherence to one ideology. . . are necessary conditions for organizational survival.”[136] H. Abravanel similarly argued that “in order to survive, (organizations) must have a solid ideological base”[137] in form of ideological employees whos intentions and beliefs correlate with behaviour.[138]

Literature on person–organization fit suggests that the fit between organizational values and personal values affects job satisfaction, and thus an individual’s performance

[132] c.f. ibid.
[133] c.f. ibid.
[134] c.f. ibid.
[135] c.f. Carter (n.d.)
[136] Brunsson (1982), 40
[137] Abravanel (1983), 285
[138] c.f. Weiss et al. (1987), 8 f.

and willingness to stay with the organization.[139] Thus, it is highly desired, that the non-profit employees share the organizations’ orientation regarding its ideology. Ideology therefore needs to be meaningful and inspirational to people inside the organization, as they are the ones who commit to the ideology over the long term. Thereby, ideology binds people together and helps define and maintain the organization.[140]

Since one cannot impose new values or purposes on people, individuals have to be predisposed to share an organizations values.[141] In order to perfectly align with the Third Sectors mission idea, individuals and organizations have to fall in place. This is often referred to as the Person-Organization Fit (P-O Fit). The fit resembles congruence of an individual’s beliefs and values with the culture, ideology, and values of an organization. One of the limitations that become apparent is the fact that the elements of a P-O Fit are rather soft, as they relate to abstract concepts of culture which are not directly observable.[142] Hence, under soft traits it is much harder to examine job-related outcomes of a match between an individual and an organization than under harder traits related to an individual’s job performance. The less objective nature of a P-O Fit often makes it harder for organizations to demonstrate its relevance on job performance. Nevertheless, only because it is less observable does not imply that P-O Fit is irrelevant.[143]

Research has demonstrated many ways in which fit can have value for an organization. Probably the most notable outcome of a good P-O Fit is increased tenure. The greater the fit between the values of an individual and those of the organization, the more likely they will remain with the organization over a longer period. In the case of non-profits, where individuals anyway tend to stick to the organization only for a limited time before moving on to pursue a career with a different organization, increasing tenure is only of minor importance. Besides, an optimal fit has shown to have many less tangible outcomes. For instance, P-O Fit has been linked to increased worker satisfaction, organizational identification and ultimately organizational commitment.

[139] c.f. Lee et al. (2011), 53
[140] c.f. National Defense University (n.d.)
[141] c.f. Collin et al. (1996)
[142] c.f. Sekiguchi (2004), 179 ff.
[143] c.f. Sekiguchi (2004), 179 ff.

Although these benefits are hard to measure objectively, they often form the basis for intangible outcomes such as employees going the extra mile for an organization. In short, there are many positive implications of a good P-O Fit, but unfortunately, the subjective nature makes it hard for organizations to fully understand the value of a perfect fit.[144]

A study undertaken by Barry Posner investigated the person-organization fit phenomenon by researching the impact of demographic factors (e.g. age, gender, ethnical background). Its findings revealed that demographic factors had no impact on the work attitude. Solely ideological congruency among a person and an organization directly related to positive work attitude.[145]

6 Employee Motivation in the Non-Profit Sector

Since ideals can not feed people, it is important that individuals have besides a humanitarian instinct, skills or knowledge needed by NPOs. Without the necessary abilities only good willing amateurs are attracted. As the adage says, the road to hell is paved with good intentions, and mistakes can be expensive and damaging to the reputation of the non-profit organization.

Jobs within the Third Sector are not a traditional career path, since they require an ability to adapt to intensely challenging situations and to withstand emotional strains. As multitudinous as the professions within the Third Sector, are the personality types of the employed individuals. Despite the huge diversity of the sectors personnel, there seem to be some attributes which most NPO employees tend to have in common, such as an ability to compromise and diplomatically adapt to challenging situations. It further helps to be tough and adventurous. In terms of internationally active organizations, savviness and quickness to learn is highly desired, since it enables one to adjust to new cultures rapidly.[146]

Many individuals however, consider an assignment with an NPO as a stepping stone for a career with another european or international organization such as the United

[144] c.f. Sekiguchi (2004), 179 ff.
[145] c.f. Posner (1992), 1
[146] c.f. Bolton (n.d.)

Nations or the European Commission. As a consequence many professionals and volunteers withdraw after some time on the job, which undermines the cost-effectiveness of the selection process. The high turnover rate among the personnel is also a result of low salaries and family allowances compared to other industrial sectors.[147]

6.1 Economic Theories

The biggest misconception is that humans as intelligent creatures are selfish. Usually this misconception arises from the fact that the world according to Darwin accounts as a survival of the fittest place where in order to stay alive, humans must be selfish. When observing selfishness, economists commonly refer to the concept of an 'homo oeconomicus'. The 'homo oeconomicus' thus describes an individual which behaves effectively, in order to constantly maximize his or her utility. Utility in this sense can be measured for example in material or social interest.

If humans are highly rational and selfish in the choices they make then that person can be considered an authentic 'homo oeconomicus'. Most humans are in some way interested in the notion of an 'homo oeconomicus'.

In the progress of evaluating the motivational factors of Third Sector employees in terms of (un)selfishness, two contrasting models of the idea of men will be discussed in detail, namely the concept of an 'homo oeconomicus' and an 'homo cooperativus'. These particular models of observation are focusing on egoism and altruism and deal with the question to what extent individualism and sociality can be integrated into the concepts. Thereby the two models take on very opposing views.
Other models such as the 'homo sociologicus' or 'homo oecologicus' are not accounted for during the upcoming research since they have a different focus and hence not change the positioning -regarding altruism and egoism- fundamentally.

[147] c.f. Behrendt et al. (2008), 12

6.1.1 Homo Oeconomicus

6.1.1.1 The Theory

'Homo oeconomicus' also known as 'economic man' is the characterization of human beings that pursue self-interest while acting entirely rational. The idea that individuals solely act in their own self-interest is often attributed to economists and philosophers such as Adam Smith and David Ricardo, who both considered man to be rational and self-interested economic agents. From Smith and his *Wealth of Nations*[148], rationality and self-interest assumptions have formed the basis upon which modern microeconomic analysis has been built.[149]

Thereby, rational judgment describes an individual's ability to choose, as to maximize personal gain relative to a given set of preferences. Throughout an 'homo oeconomicus' action the welfare of others is not considered in the decision making process. The assumption that all humans beings behave rational and selfish have been a fundamental premise for the economic man.

The concept of the selfish men found popularity during the era of Enlightenment dating back to the 18th century. Back then, the idea was perceived to be a step forward towards a more realistic image of human behaviour. Over centuries, religion was teaching humans to act obedient and follow regulations. Mundane authorities had a high interest in driving moral behaviour onto their subjects, leading to the prevalence of normative behavioural patterns.

The model of the 'homo oeconomicus' suddenly offered a different perspective, focusing on a more prognostic and realistic human behaviour. John Mills defined the economic actor as one "who invariably does that by which he may obtain the greatest amount of necessaries, conveniences, and luxuries, with the smallest quantity of labour and physical self-denial with which they can be obtained in the existing state of knowledge."[150]

[148] The Wealth of Nations (also An Inquiry into the Nature and Causes of the Wealth of Nations) derived from the economist Adam Smith and is considered to be the foundation of modern economic theory. The book which was published in 1776, is a reflection on economics at the beginning of the Industrial Revolution. Smith herein argues that free market economies are more productive and beneficial to societies than any other form.

[149] c.f. Frohlich et al. (1984)

[150] Mill (2009), 326

In the beginning, the concept of an egoistic nature of the human being caused perturbation, since chasing material and mental well-being requires the acknowledgement of property. The basis for this precondition was established during the French Revolution. With the creation of basic human rights, an incentive for utility maximization was given to the 'homo oeconomicus'. These property rights ensured, that he was allowed to keep profits obtained through his actions.

The theory of the economic man dominated the classical economic thought for many years until the rise of formal criticism by anthropologists and neo-classical economists during the 20th century. One of the most notable criticisms can be attributed to economist John Keynes, who argued that humans do not behave according to the principles of an economic man. Instead Keynes asserted that humans regularly behave irrational, since they neither always act in their own self-interest nor always have full information when making their decisions.

Although criticism was raised regarding the concept of an 'homo oeconomicus', the assumption that individuals behave in their own self-interest remains fundamental. The concept therefore fails to explain an employee's formal engagement for a good cause in terms of pure altruism.

6.1.1.2 Egoism as social self fulfilling prophecy

The concept of an 'homo oeconomicus' further loses its efficacy if individuals do not have full information during the decision making process. In order to overcome the uncertainty, humans make use of unconscious tactics also known as heuristics. These heuristics are rules of thumb that are broad enough to be used in many different situations. A common heuristic relating to the self-interested nature of individuals is egoism.[151] The following example visualizes a problem encountered with altruistic and egoistic behaviour. If an individual considers him- or herself as altruistic, the person might encounter problems such as exploitation, if other people realize the individuals' unselfish character. Thus, if a human being believes that every other agent in his environment is selfish, then the best possible heuristic to prevent exploitation is to act like one himself. The result is a vicious cycle, since it makes other people respond in the

[151] c.f. Bowie (1991), 145

same egoistic manner. This leads to what the literature calls a self-fulfilling prophecy. In that case, egoism turns out to be the result of a social heuristic rather than an individual's sincere attitude.[152]

6.1.1.3 Limitations to the 'Homo Oeconomicus'- concept

Due to its limitations, the 'homo oeconomicus' concept has been heavily criticised in the past. Economists such as Keynes and followers of the Austrian School stress the importance of uncertainty and bounded rationality in the decision making process. They oppose the fact that individuals are fully informed of all situations. It is argued that complete knowledge almost never exists, leading to the fact that all economic activities imply risk.[153]

Economic anthropologists have further demonstrated that in traditional societies peoples choices follow a pattern of reciprocity which differs sharply from what the 'homo oeconomicus' model postulates. Reciprocity implies that you "do unto others as you would have them do unto you."[154] If givers have expectations of reciprocity, then the amount given depend on how much they trust that recipients will return the favour and whether non-reciprocating parties can be punished for their deviating behaviour. The limitations show that unlike what the 'homo oeconomicus' predicts, human beings do not act rational a priori.

Another limitation is the non-comparability of utility functions. The idea by economist Vilfredo Pareto says that if one includes altruistic elements into the utility concept of an 'homo oeconomicus', the concept turns out to be tautological with little signification.[155] This is the fact, since decisions among alternatives seem to be based not only on fixed underlying preferences, but also on changes in the context in which the alternatives are posed.[156] Thus, inconsistent behaviour and irrationality are predominant in human beings.

[152] c.f. Bowie (1991), 145
[153] c.f. Langlois (1985), 309 ff.
[154] Urdang et al. (1980)
[155] c.f. Kramer et al. (2006)
[156] c.f. Schräder (2010), 2 ff.

Recent studies by Norman Frohlich and associates also “challenge the validity of the self-interest assumption in some economic choices.”[157] In experimental non-marketlike situations involving real payoffs, the authors could prove that the majority of individuals were willing to accept a lesser payoff in favour for the welfare of others. In other words, human beings act as if altruism and fairness are elements in their preference structures, contradicting the ‘homo oeconomicus’ orientation on pure self-interest.

6.1.2 Homo Cooperativus

6.1.2.1 The Theory

It is expected that individuals are happiest and feel most confident when they are part of a group of other humans. The collectivism gives them the confidence that they can survive though times, since the group would act solidary and step in for one another.[158] The cooperative character of the ‘homo cooperativus’ is said to be highly efficient, since individuals specialise in certain tasks, instead of having everyone try to master each and every task by themselves. Its efficiency gained the concept acknowledgement, particularly in the business environment.

Unlike the ‘homo oeconomicus’ the ‘homo cooperativus’ is someone who is not constantly trying to increase his personal utility. He rather takes a view of the bigger picture in order to consider long-term effects. An ‘homo cooperativus’ behaviour is therefore coined by grace and cooperativeness.

6.1.2.2 ‘Homo Cooperativus’ more fiction than reality?

The so called “Paradox of Cooperation”[159] a concept of the *Münster School* is trying to explain human behaviour through the advantages of individuals. In other words, the theory says that human beings are only cooperating for the sake of personal advantages.

[157] Frohlich et al. (1984), 4 f.
[158] c.f. Schräder (2010), 2 ff.
[159] Caplan et al. (2003), 309

It is known that positive assortment between cooperative types provide better conditions for the evolution of cooperation among individuals than complete mixing. In the process, the Paradoxon of Cooperation observed that as benefits of cooperation increase, the share of co-operators in the population also increase.[160] This concludes that impure altruistic behaviour is dominant over pure altruistic behaviour, as the latter completely disdains personal benefits in his or her decision making.

6.2 Motivational Factors- Extrinsic vs. Intrinsic Motivation

When characterizing individual differences in terms of a person's orientation toward his or her work, the intrinsic-extrinsic distinction is most often used.
Thereby, extrinsic motivators existing outside of an individual are not intimate, thus not deeply rooted in the personality of human beings. If individuals remain motivated, extrinsically trying to convince themselves that it is their duty to help, they will remain personally detached from the work itself. In fact, extrinsic motivators such as rewards, incentives or public recognition, may have a negative effect in the long term. On the other hand a person is intrinsically motivated to perform a task if there is no apparent reward for the performance apart from the activity itself and the feeling of satisfaction or an enjoyment which is derived from participating.

The intrinsic-extrinsic distinction grew out of a need to explain behaviours not accounted for within the behaviourist framework[161]. The roots of the intrinsic-extrinsic distinction can be traced back to the first cognitive theorists, Kurt Lewin and Edward Tolman. Their works directed psychology away from the idea that all motivations are solely triggered extrinsically.[162] Throughout the 1940s and 1950s the intrinsic concept was further developed by need theorists[163] who emphasized the importance of higher-order needs. This included among others the need for autonomy, self-esteem and self-actualization.

[160] c.f. Caplan et al. (2003), 309
[161] The behaviourist framework explains human behaviour with the help of stimulus-response experiments. The behaviourist approach is based on the environment. A stimulus brings out a response in an individual and results in learning. The theory says, although cognitive processes do exist, they are not needed to predict human behaviour.
[162] c.f. Broedling (1977)
[163] The Need Theory, created by the psychologist David McClelland, is a motivational model that attempts to explain how the needs for achievement, power and affiliation affect the actions of people.

Today scholars come to the result that a person's choice of behaviour at any given moment is a result of a combination of both extrinsic and intrinsic incentives. Nevertheless one of those motivational triggers may be more pronounced in human beings than the other. The frequent use of the distinction in literature is a strong argument that there is need for this kind of classification. However, it can be criticised that the distinction may be over-simplified since in reality there may be more than two categories to distinguish from.[164]

The following analysis investigates the motivational behaviour of Third Sector employees. NPOs in general act to fulfil certain mission-ideas. In achieving their mission, they are supported by two types of personnel, namely paid professionals working under a fulltime, part-time or marginal contract and unpaid volunteers. Since it is expected that motivational factors regarding a sector choice vary, the following analysis clearly distincts between those two employment types.

Generally speaking, Third Sector employees are to a greater extent intrinsically motivated compared to employees in the for-profit sector. This statement can be affirmed by the far lower remuneration accepted by employees on every hierarchical level of the non-profit sector. Jenny Onyx and Michael MacLean state that comparable positions within the non-profit sector receive between 7% and 30% less than their counterparts in the for-profit-sector.[165] It is reported that non-profit personnel value job quality more and wage less than for-profit staff.[166] Due to the mainly intrinsic motivations of non-profit employees, a wide acceptance regarding the wage gap between the Third Sector and the market can be observed. For those individuals, an application for a position within a non-profit organization is effected primarily through non-pecuniary factors such as an agreement with the organizations ideology, a sensuousness of tasks as well as the joy associated with the activity.[167] According to that, the values of non-profit employees differ systematically from those of employees of the for-profit sector.

NPOs are said to have a self-selection effect on prospective personnel, since benefits offered in the Third Sector are often too small for mainly extrinsic oriented

[164] c.f. Broedling (1977)
[165] c.f. Onyx et al. (1996), 339 ff.
[166] c.f. Anheier et al. (1990), 148
[167] c.f. Broedling (1977)

human beings. This finding may particularly apply to voluntary employees, where the complete absence of remuneration is given.

6.2.1 Motives of Paid Professionals

It is essential that people begin to discover their intrinsic motivations when engaging within non-profit organizations. It is only when individuals connect to their job do they become personally invested. This could be observed by David Greene and his followers in a 1974 study. Throughout an experiment, children were verbally rewarded and reinforced for drawing with felt-tip pens.[168] The result revealed, that children showed little to no interest in playing with the pens later on. It seems that the extrinsic motivation of verbal reward replaced any intrinsic motivation, thereby diminishing the distinct enjoyment of the activity.[169]

Hence, creating the right kind of space in an organization for people to discover their intrinsic motivation is essential within the Third Sector. This finding is highly valuable for the NPOs itself, as it allows for the possibility to achieve the highest level of contribution from the professionals.

Main motives for helping i.e. altruism or egoism, can be differently pronounced in man and women. Generally, a higher amount of females act altruistically compared to men. This could already be seen in the employment figures of the Austrian non-profit sector presented in chapter 6. As employment figures show, unlike in most other business sectors, females account for the vast majority of non-profit personnel.
Since wages paid in the non-profit sector are relatively low compared to for-profit equivalents the non-profit sector has to offer rewards beyond money, in other words it is letting the work be the biggest reward.

A survey by Jenny Onyx, a leading scholar focusing on inter-sectoral engagement, observed the motivational aspects of professionals to work for a respective non-profit organization. Table 3 presents the outcome of the survey. The motivational factors were assessed by the respondents on a scale ranging from (1) not relevant to (3) very relevant. The average value over all respondents can be extracted from column

[168] c.f. Cameron (1994), 363 ff.
[169] c.f. Cameron (1994), 363 ff.

two. Column three shows the relative share of a particular motive in terms of high attractiveness. The categorization of motives, whether intrinsic/extrinsic and altruistic/egoistic can be observed in the final column.

Motives	Avg. Assessment value	Percentage of individuals rating the motive „highly relevant/attractive“	Classification
Extension of personal skills	2,59	65 %	intrinsic/egoistic
Interesting, demanding task	2,57	66 %	intrinsic/egoistic
Good working group	2,38	53 %	intrinsic/egoistic
Contribution to social relief/ aid	2,33	52 %	intrinsic/altruistic
Good organisational philosophy	2,29	46 %	intrinsic/egoistic
Possibility to work autonomously/independently	2,27	44 %	intrinsic/egoistic
Work with a new target group	2,19	45 %	intrinsic/-
Increased decision making power	2,11	41 %	extrinsic/egoistic
Political Influence	2,03	35 %	intrinsic/egoistic
Development of new social offerings	1,99	37 %	intrinsic/altruistic
Good managerial structure	1,97	30 %	intrinsic/egoistic
Location advantage	1,90	30 %	extrinsic/egoistic
More responsibility	1,81	24 %	intrinsic/egoistic
Career Prospects	1,75	24 %	extrinsic/egoistic
Human Ressource development	1,69	21 %	extrinsic/egoistic
Salary increase	1,69	19 %	extrinsic/egoistic
Flexible working hours	1,58	17 %	extrinsic/egoistic
Job security	1,58	17 %	extrinsic/egoistic
High prestige	1,48	14 %	extrinsic/egoistic

Scale: not relevant (1), partially relevant (2), highly relevant (3)

Table 3: Motives for an application for the current position within a NPO, Source: c.f. Onyx et al. (1996), 339

What can explicitly be seen is that the motive of gaining high prestige on average shows the lowest absolute scoring. With only 14% of professionals placing a very high importance on the prestige factor, the motive even ranks last in relative terms. Consequently, the surveyed non-profit personnel places little focus on how other people see them.

Also job security which is often highly desired by individuals in other business sectors is only of mediocre relevance to NPO staff. Only 17% of the surveyed perceive job security as highly attractive. This may be due to the fact that most professionals see a job within the Third Sector only as a stepping stone towards another organization. Therefore, long term employment in any given organization may not be anticipated by most professionals. In the early stages of their careers, the opportunity to stretch their skill sets, work on big projects and network with more connected and powerful professionals can be a very attractive proposition for paid professionals.

Maybe the most encouraging aspect of working within the Third Sector is the fact that the job sector itself is slowly expanding. As a consequence, new employment opportunities arise offering non-profit staff the possibility for personal enhancements. The extension of a personal skill set is rated top amongst all motives. With an assessment value of 2.59 the motive accounts for the most significant factor to engage in the Third Sector. 65% of professionals rated the possibility to extend ones skills as highly attractive.

In terms of average attractiveness, the motive is closely followed by the employees desire to engage in an interesting and demanding task. With a value of 2.38 the possibility to work in an agreeable working group is ranked third in line.

One of the few altruistically triggered motives is the desire to contribute to the social relief of society. With a total value of 2.33 out of 3 it can be seen that serving the community with a good cause is a major concern for professionals. As studies of rescuers show, they don’t believe their behaviour is extraordinary; they feel they must act the way they do because it is part of who they are. Same holds for more common acts such as caring for elderly or engaging in other social service activities.[170]

[170] c.f. Lichtenberg (2010)

The human resource development (1.69) and future career prospects (1.75) are of moderate importance for individuals. Only 24% perceive that career prospects are highly relevant for their non-profit employment. Preferred was rather the ability to take on more responsibility in the job (1.81), an increased decision making power (2.11) and an individuals possibility to gain more autonomy in the work environment (2.27).

A few of the surveyed further name egoistic factors such as flexible working hours which allow for more independence in their economic activity (17%) as well as a location advantages (30%) as reasons to look for Third Sector employment. The development of a new offering to society is viewed as a pleasing reasoning for professionals of the non-profit organizations. Overall the announcement of extrinsic motives is little lower than the one of intrinsic motives.
Especially amongst higher ranked motivational factors, intrinsic motives undeniably dominate. Among the top ten ranked motives (in terms of average assessment value) only one motive fell short and was categorized as extrinsically triggered. At the end of the listing and thus with relatively minor importance for professionals are extrinsic motives.

In terms of a desired wage increase, NPO workers place an average importance of 1.69 to the factor. The idea to accept financial or personal sacrifices is widespread among non-profit personnel, who would often elucidate their morality and commitment by reference to the possibilities for material gain that they chose to forego. Financial sacrifices are often accepted in favor for an organization that pursues a good organizational philosophy.[171]

Non-profit workers derive utility from the nature of the cause and are thus willing to accept a lower compensating wage. Frank views it as a compensating differential in return for work that is more morally palatable. His statement is further supported by noting, that ideologues may “accept lower pay in return for the guarantee that their efforts are helping to achieve their idealistic goals” [172] and are not contributing towards a profit generation of stockholders.

Thus, an organizations philosophy and its mission are highly important for professionals. The motive was rated with an average value of 2.29. In 44% of cases,

[171] c.f. Yarrow (2008)
[172] c.f. Leete (2001), 162

surveyed professionals placed a very high relevance on the mission-idea of their organization. This proves that an organizations philosophy is a major factor that influences a persons decision to apply. A good credible ideology is essential to attract intrinsically motivated individuals. However this does not mean that human beings behave purely altruistically. Keeping an organizations mission in clear focus can still imply that an individual is pursuing self-interested aims such as recognition for their activities.

As one professional puts it, “having been on both sides of the fence, the not-for-profit (sector) is much more rewarding at the end of the day”[173] since “the goal is always grander than just the bottom line, (which) […] makes for a satisfied feeling at the end of the workday.”[174]

6.2.2 Motives of Unpaid Volunteers

As in the case of professionals where the majority of humans state that an extension of the personal skill set is a major priority when engaging within a NPO, a similar emphasis can be seen amongst volunteers. When people volunteer for the first time, they are usually motivated intrinsically (such as a desire to give back). Author Studs Terkel notes, “(…) most of us are looking for a calling, not a job. Most of us have jobs that are too small for our spirit. Jobs are not big enough for people.”[175]

While paid work is simply a matter of earning a living, “volunteering is 'doing something you care about.'”.[176] Volunteers generally mention altruistic reasons for becoming involved, e.g. the feeling of having an obligation to the community or wanting to help others. However, self-oriented reasons are also common. An ability to gain job experience, the possibility to foster social contacts or simply an enhancement of ones social status, are self-centred reasons why volunteers engage in the Third Sector.

A surveyed anonymous volunteer justifies his social engagement, by saying that “it is often helpful, to get […] new opportunities. I’ve been asked to work on projects in

[173] Hansen (2003)
[174] Hansen (2003)
[175] Burns et al. (2004), 497
[176] Kaminer (1984), 217

finance, human relations, fundraising, strategic planning, public relations, marketing, and a number of other professional skills. Because the non-profit organizations had a need and I volunteered, I got to add these to my repertoire long before my day job ever gave me the opportunity."[177]

A survey by the Austrian Federal Ministry for Family Affairs, Senior Citizens, Women and Youth conducted in 2005 aimed at analyzing volunteers motives for formal involvement. The survey asked volunteers from a variety of activity fields about their motives for a commitment with a non-profit organization. The result can be extracted from the following table.

Statements	**Answers (in %)**		
	Fully agree	**Partially agree**	**Not agree**
Through my commitment I want to actively participate in changing the society.	66	29	5
Through my commitment I want to get the chance to get together with other people.	60	35	5
My commitment is a task that has to be done by somebody, for which however it is very difficult finding someone.	44	40	16
My commitment is also a form of political engagement.	21	27	52

Table 4: Motives for a voluntary commitment;
Source: c.f. Gensicke et al. (2005), 97

66% of surveyed volunteers fully agree that through their formal engagement within an organization, they want to participate in changing the society. This clearly reflects the individuals' altruistic attitude. Only 5% state that their non-profit activity has no intention to procure alteration of the current situation. A large majority (60%) further state that the chance to get together and interact with other people demonstrates a fundamental motive to engage voluntarily. Only 5% of the surveyed disdain this reasoning as insignificant. Over three-quarters of humans regard their non-profit activity fully or at least partially as something that has to be done, since only very few others

[177] Grundy (2010)

would be willing to do the job due to its challenging nature and its lack of remuneration. They mainly view themselves as sacrificing for the needs of others.

A highly controversial motive is an individual's non-profit commitment pursued with a political intention. Approximately half of the surveyed agree that no political intentions are associated through their volunteering. Of the remaining individuals, 21% admit that politics are the primary motive for their commitment. 27% agree that policy-making at least partially accounts as a motive for their voluntary commitment.

An additional survey conducted by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth further identified volunteers expectations of their non-profit activity. The study found similar findings to the ones observed from professionals.

Statement	Evaluation	Classification
The task has to be fun	4,4	intrinsic/egoistic
The task offers the possibility to get together with likable persons	4,0	intrinsic/egoistic
To help other people	4,1	intrinsic/altruistic
To do something for the common welfare	4,1	intrinsic/altruistic
To enlarge the personal skills/knowledge and experience	3,8	intrinsic/egoistic
To hold personal responsibilities and decision making ability	3,5	intrinsic/egoistic
To receive recognition for the activity	3,3	extrinsic/egoistic
To represent own legitimate interests	2,8	extrinsic/egoistic
To take charge of own problems and find a solution	2,6	intrinsic/egoistic
To be useful for future occupation	2,2	extrinsic/egoistic

Scale ranking from unimportant (1), extremely important (5)

Table 5: Expectations of voluntary commitment;
Source: c.f. Gensicke et al. (2005) ed. by Krönes (2008), 5

Again, the importance of socializing with other human beings was predominant. The volunteering assignment is often seen as a possibility to 'get together with other likeable persons' and is expected to bring 'fun'. On a scale ranging from (1) unimportant to (5) extremely important, the fun-factor was ranked top with an evaluation of 4,4. The motive is closely followed by the individuals 'desire to help others' (4,1) and the wish to 'do something for the common welfare' (4,1). Only these last two motives account for altruistic behaviour.

Although only few altruistic factors are mentioned in the listing, they were ranked among the top positions. This indicated that altruistic factors are perceived as being very important among volunteers. Besides, seven out of ten statements can be traced back to intrinsic motives whereas only three are found to be extrinsically triggered. All other expectations are mainly of egoistic nature.

The possibility to enlarge ones personal skills is often seen as a main advantage of voluntarism, since individuals often get a chance to do things which they would not be able to do in their regular job. Additionally volunteers also expect to hold personal responsibilities and decision making power (3,5) when applying for a non-profit position. Besides, a recognition for their activities is expected (3,3).

To sum up, the altruistic element is an important motivator for volunteering. Voluntary engagement is also regarded as a source for personal and professional enhancement for individuals, which fosters the acquisition of different skills and the construction of social networks. The greatest motivator for engaging in volunteering is the fun aspect, followed by altruistic and social aspects. By far only the smallest number of volunteers is motivated by totally self-centred considerations.

6.3 Empirical findings on altruistic behaviour

The factors that influence an individual's behaviour and his motivation are manifold in reality. Altruistic motives are centered for example, on helping individuals in need, solving community problems, or making other general contributions to the well-being of society. Such motives spring from the values possessed by non-profit organizations and individuals involved. Since NPOs missions are generally imbued with a social purpose, their general motives tend to be predominantly altruistic in nature. As for employees, motives can be intrinsic or extrinsic, altruistic or selfish.

Motives however are often ambiguous. It can happen that a person acts egoistically in a particular situation, but shows off purely altruistic behaviour in a very different situation. This altering motivation of human beings can be led back to their irrational behaviour. Depending on the situation, individuals are governed by personal feelings and wants. These irrational factors make it extremely difficult to certainly determine human behaviour and often raise doubt among many economists whether true altruism indeed exists.[178]

A study undertaken by Bouchard and his associates analysed the influence of environmental factors on altruistic and egoistic behaviour. The study discovered that religiousness shows a modest negative correlation with selfish behaviour and modest positive correlation with altruistic behaviour. Thus the more religious an individual is, the higher the likelihood for him or her to be altruistic. The relationship between religiousness and altruistic behaviour is due to both genetic and shared environmental effects.[179]

Additional evidence for differences in processing comes from William Austin, who found that men and women were equally likely to intervene at a high level of harm, but women more likely to intervene at low levels. Thus, women seem to have a lower threshold for noticing fellow human beings needs.[180] Women further exhibited more facial sympathy and reported more distress than men. They also reported themselves to be more empathetic than the other sex.[181] It is suspected that these gender differences in helping behaviour are derived from social roles occupied by men and women over centuries.

Women further provide their friends with more personal favors, emotional supports, and counseling than men do.[182] Helping expectations for men on the other hand are associated with non-routine and risky actions as well as with protective roles. Predictions assume that "men should be more helpful than women, since the latter

[178] c.f. Bolle (2009)
[179] c.f. Bouchard et al. (2007), 265 f.
[180] c.f. Austin (1979)
[181] c.f. Eisenberg et al. (1983)
[182] c.f. Piliavin et al. (1990), 34

perceive helping as more dangerous than men do."[183] Sex differences in helping behaviour therefore may be due to gender-related traits of masculinity and femininity.[184]

Besides gender related differences in the processing of non-selfish behaviour, altruism can be found to develop with an individuals age. Generosity and other forms of helping behaviour have been found to increase with children's age, especially as children near adolescence. As children grow up, their altruistic behaviour may be increased because of growing empathic sensitivity, greater ability in perspective-taking and an increased social responsibility.[185] Further the increase of helping behaviour may be due to the greater sensitivity to social and cultural norms. Robert Cialdini and associates propose a three-step process for the development of altruism in children. These steps are namely presocialization, awareness that others value altruistic behaviours, and finally the internalization of altruistic norms.[186]

Experiments have shown that if children are in the second stage of Cialdinis' proposed process, they should donate more since they are aware of social expectations. In the process, it could be seen that second and third graders, but not first graders, increased their donations when an evaluative audience was present.[187] Lynne Zarbatany, a Canadian scientist focusing on developmental psychology, studied first, third, and fifth graders and also found that "older children were indeed more generous than their younger counterparts, but only under […] adult influence."[188] Where such influence was minimal, fifth graders were no more generous than were younger children. Thus, altruism does not increase linearly.
As aforementioned findings on altruism show, the extent of the behaviour varies significantly according to factors such as gender, age, religion etc.

6.3.1 Benevolent Paradox

As much positive outcome altruistic behaviour causes, it does not necessarily imply good things. Altruism can also compose bad outcomes. Several economists analyzed altruistic behaviour and discovered that for the altruistic player, it is assumed

[183] Piliavin et al. (1990), 34
[184] c.f. ibid., 34
[185] c.f. ibid., 39
[186] c.f. Cialdini et al. (1981), 207 ff.
[187] c.f. Forming et al. (1985), 1223 ff.
[188] c.f. Zarbatany et al. (1985), 755

that humans have a maxim of behaviour which orders them to increase their reputation by following the concept of an 'homo oeconomicus'. Thus, as some individuals increase altruistic behaviour, they make unselfishness a meddlesomeness which may make the recipients welfare worse.

Two kind of benevolent paradoxes are highlighted in the following section. It will first be referred to the Rotten Kid Theorem emanated by Nobel laureate Gary Becker, followed by James Buchanan's Samaritan Dilemma.

6.3.1.1 Rotten Kid Theorem

The family, who was recognized as fundamental by Adam Smith, received little treatment in economics until the 1950s.[189] From then onwards, the topic obtained successive importance and resulted in the formation of the Rotten Kid Theorem. The Rotten Kid Theorem, a theorem regarding social interaction, accounts for an important insight in family economics. It suggests that family members even if they are inherently selfish, will act to help one another if their financial incentives are properly linked.

Becker created a hypothetical situation in which children received financial gifts from an altruistic parent in order to make them happy. Throughout the experiment, one of the kids is a selfish, 'rotten kid' that would usually take pleasure in harming his sibling. The theorem now postulates that the rotten kid has an incentive to avoid hurting his sibling, and will in fact behave in such a way as to increase the other siblings' happiness, because their happiness has a direct effect on the amount of money he will receive.[190] By making the rotten kids welfare contingent upon the welfare of his siblings, the altruistic parent can induce the rotten child to behave benevolently.

Parents should therefore give their children money in accordance with their needs. Each kid will then have an incentive to help his siblings maximize their income, because higher earnings by the other siblings means that less additional money will be required from the parents to fulfill the needs. Thus, more money will be left to distribute to the rotten kid. The Rotten Kid theorem says that selfish kids will take actions that

[189] c.f. Nelson (2007), 1 f.
[190] c.f. Nelson (2007), 1 f.

benefit the family, if a benevolent parent exists.[191] It can be concluded, that these families do not face problems associated with free-riding. This is an important insight in family economics, which distinguishes the family from the remaining economy.[192]

6.3.1.2 Samaritan Dilemma

A second benevolent paradox is embodied in the Samaritan Dilemma. The Samaritan Dilemma describes the situation where the giver is willing to help out the receiver if the latter comes upon hard times. If the receiver anticipates the giver will act in this way, then the receiver will behave in a manner which makes his probability of becoming impoverished too high, leading to the receivers' over-consumption.[193]

What Buchanan identified as the Samaritan's Dilemma is basically a time-inconsistency problem. Throughout the concept, it can be observed that human beings are incapable of making choices which would be necessary to prevent his exploitation by others.[194] Thus, bad Samaritans drive the good ones out of the market, since money goes to human beings that otherwise would go to the agent.[195] This resembles a kind of collective prisoner's dilemma[196], which requires collective action to be overcome.

6.3.2 Giving up on altruism- Is pure altruism possible?

It is often argued that the only kind of altruism that truly exists is what economists call 'impure altruism'. This raises the question whether human beings are selfish by nature and only engage in activities when they are attractive to them.

As research has shown, within NPOs one does find evidence of human beings sacrificing themselves in order to do good for others. Nevertheless, in most cases it seems that individuals always get something in return, at the very least, the satisfaction of having their desire to help fulfilled. As literature argues, if a human being did not

[191] c.f. Bergstrom (1989), 1138
[192] c.f. Nelson (2007), 1
[193] c.f. Bruce et al. (1990), 155 ff.
[194] c.f. Buchanan (1977), 173
[195] c.f. Schmidtchen (1999), 14
[196] Prisoners Dilemma: The prisoner's dilemma is a fundamental problem in game theory that demonstrates why two individuals might not cooperate even though it is in their best interests to do so. The problem was originally framed by Melvin Dresher in the year 1950. Albert W. Tucker further formalized the game with prison sentence payoffs; giving the theory its name to date.

desire the good of others for its own sake, then attaining it would not produce the warm glow.[197] The fact suggests that pure altruism never exists. Furthermore, an altruistic behaviour may be the optimal response when pursuing selfish interests.

Indeed, there are more selfish benefits to why people get involved with NPOs, including intangible benefits such as resume-building experience, connections, and friendships.[198] However, giving is supposed to be pure, for the benefit of the cause alone. Thus, pure altruism, requires a person to sacrifice for one another without consideration of personal gain.

The notion that people never intentionally act to benefit others except to obtain some benefit for themselves still possesses a powerful lure over the human beings thinking. The lure of this view -egoism- has two sources, which are of psychological and logical nature.[199] Consider the psychological nature of egoism first. One reason people deny the existence of altruism is that humans doubt the purity of their own motives.[200] Humans know that even when they appear to act unselfishly, other reasons for their behaviour such as the prospect of a future favour or an enhanced reputation often unconsciously influence their behaviour. As Immanuel Kant and Sigmund Freud observed in their studies, people’s true motives may be hidden.[201] Even if humans think they are acting solely to further another person’s good, that might not be the real reason. In real life there might be multiple motives behind an individual’s action. This resembles certain scepticism that humans have about their own motives.

Regarding a logical perspective, egoism seems impossible to disprove. No matter how altruistic an individual appears to be, it is possible to conceive of his or her motives in egoistic terms. Consequently, it seems “altruism is simply self-interest of a subtle kind”.[202] The fact that egoism is impossible to disprove is indeed a fatal drawback. If every state of affairs is compatible with egoism, then egoism is meaningless.[203]

[197] c.f. Lichtenberg (2010)
[198] c.f. Grundy (2010)
[199] c.f. Lichtenberg (2010)
[200] c.f. Lichtenberg (2010)
[201] c.f. Lichtenberg (2010)
[202] Lichtenberg (2010)
[203] c.f. Lichtenberg (2010)

6.3.3 Do altruistic groups outperform egoistic groups?

It is commonly expected that individuals who behave altruistically are vulnerable to exploitation by more selfish individuals within their own group. This prejudice can be falsified at least to some extent. Homogenous groups of altruists can robustly outcompete more selfish groups in the long term, because individual failures are compensated by the generosity of those doing well. Egoistic groups will only perform well in the short term, since their selfishness compromises their reputation. Once human beings in a society have found out about a selfish individuals character, the egoist will suffer retaliation.

At the same time, it can be noticed that generous people do not necessarily suffer more or flourish less than more self-interested individuals. Moreover, unselfish creatures may be even more content or fulfilled than egoists.[204] Since altruists are acting in the long-term, "they compromise their present possibilities of gain to make sure they will do well in the future."[205]

A study undertaken by Anthony Peressini dedicated to the optimal distribution of egoists and altruists in a group provides valuable insights into the performance issue of the target group. From a theoretical point of view, it is assumed that egoistic and altruistic behaviour is established in significant proportions within a population. As Peressini puts it, increasing the frequency of an altruistic trait increases the fitness of an entire group, and consequently raises the average fitness of all its organisms.[206] In other words, enhancing the average fitness of organisms in a group is equivalent to increasing the fitness of a single alternative trait. That is, if trait A is fitter than B, then raising the frequency of A boosts the average fitness of all organisms in a group.[207]

Nevertheless, the findings regarding an increasing fitness level of tgroups is only true to a certain threshold. Once this threshold is passed, the fitness of all traits decreases and lowers the average fitness of the group. Thus, homogenous groups of altruists only outperform homogenous groups of egoists to a certain threshold.[208] To illustrate this situation, the following analysis refers to Peressini who addressed the

[204] c.f. Bingham University (2008)
[205] Bazzan et al. (n.d.), 13
[206] c.f. Peressini (1983), 583
[207] c.f. Peressini (1983), 583
[208] c.f. Peressini (1983), 584 f.

phenomenon by sentinel cries in crows. Once again, an example from the field of biology serves as a mean to explain human behaviour.

To survive, some crows issue sentinel cries to warn their flock from intruders. By doing so, they put themselves at higher risk than crows that do not issue sentinel cries. Thus, their behaviour involves a genuine fitness cost to the bearer. It can be seen that with relatively few sentinels, the fitness of the group would be higher than with no sentinels, since the few sentinels would serve to warn the many others, giving them a better chance of escaping a predator.[209]

However, if the relative frequency of sentinels increases, too many crows might be issuing cries instead of immediately getting themselves in safety. Thereby the fitness of the group as a whole would no longer be increasing. The results show, that a population of only sentinels might be less fit than a population of all nonsentinels. Hence, increasing the frequency of an altruistic trait increases the average fitness of the group only to a certain extent.

Group selection requires, that groups with a higher average fitness increase in frequency, so the optimal group will be assured of being well represented in the entire population. Observations show, that for any group, the fittest composure of possible traits is required, to be assured its place in the population.[210]

6.4 Excurse: Altruism in the Game Theory

Researchers have traditionally been very interested in the field of helping behavior and therefore created a huge amount of experimental data. Since the foundation of the game theory by John von Neumann and Oskar Morgenstern in 1928, economists try to settle the matter, whether altruism really exists in economics. Game theories are simple game arrangements by which researchers have been able to conclude the best possible alternative for a player if he wants to maximize his utility during a certain situation. Through individuals that exhibit the peculiarities of an ‘homo oeconomicus’, researchers can reveal their preferred strategy which leverages the most utility for the individuals.

[209] c.f. Peressini (1983), 581 ff.
[210] c.f. Peressini (1983), 583

To explain an human beings likelihood for cooperation, so called fairness or dilemma games got constructed. One such fairness game which has proven to be rudimental in discussions regarding altruism is the Ultimatum Game. The Ultimatum Game in our example considers two players. The first individual is given an amount of money, e.g. $100. The second individual receives no initial sum. Since the game implies an extremely disproportional distribution of money, ideal preconditions for observing altruistic behaviour are given.[211] The first player then, is allowed to give a self defined amount of money to his opponent, who can either accept or decline the offer. If declined, none of the two individuals will get anything. If humans are acting according to the concept of an 'homo oeconomicus', it is anticipated that the second player should accept any amount of money given to him, because no matter what the amount is, it is still a profit. That in mind the first player could propose any negligibly small offer to the other individual in order to maximize his personal profit.

However, throughout the experiment it could be observed that human behavior did not follow the expected pattern. Two-thirds of the players showed off an altruistic behavior, usually offering more than half of their initial sum. In only 4% of all cases players proposed an offer as low as $20.[212]

This unselfish behaviour can be traced back to the fact that the two players encounter each other face to face. In direct encounters, people act less selfish and comprise their opponents' situation. Under such circumstances, proposers act less profit maximizing and rather aim to achieve a fair result. From the proposers point of view, the Ultimatum Game clearly shows that altruistic behavior is present in society.

The second players behavior during the Ultimatum Game raises doubt about the existence of the 'homo oeconomicus' concept. Over half of the propositions offering 20% and less got rejected by the second player, leading to the result that both players end up with nothing at all.[213] Considering the utility maximizing nature of the economic man, the individuals' behaviour is observed during the game is contradictive. If an individual solely wants to increase personal utility, he would accept any offer made by

[211] c.f. Wilson (1976), 370 f.
[212] c.f. Wilson (1976), 371
[213] c.f. Wilson (1976), 371

the first player. On the other hand, it can be argued that the behavior of the second player resembles a striving for fairness, especially in a face to face encounter.

However, the face to face encounter does not account as the only factor influencing altruistic behavior. The statement can be tested by applying the Dictator Game, a mutated version of the Ultimatum Game.

This time, the second player is acting passively. Irrespective whether they accept or decline, their action has no effect on the first player. If humans are truly ‘homo oeconomicus’, there is no rational reason for the first player to offer any amount to an anonymous player. However, offers and declines were found to be almost identical with the ones observed during the Ultimatum Game. The sums offered increased only slightly if the players were able to see each other. From an economic point of view the behavior of individuals when played anonymously, is highly irrational.

Evidence for irrational action can also be observed when game arrangements involve several players. In a further experiment every player owns the same initial sum of money, of which they can put an undefined amount in a mutual stash. After the first round, the money is taken from the stash and distributed equally among all players.[214] Because all players had the same initial amount, individuals are aware that not everyone has given an equally high amount of money to the stash.

If played anonymously it can be seen that sums which are given to the stash start to decline. The interesting aspect in this case is, that the amount of money put in the stash almost never declines to zero.[215] This means that there are always some “hard core”[216] givers who continue to contribute to the collective amount, independent of everyone else’s action. The identical behavior can be observed over several rounds played by the same parties. From the findings it can be assumed that people naturally adopt roles during certain situations, indicating that non-maximizing or altruistic behaviour occurs consistently.

The self-interest assumption as in the ‘homo oeconomicus’ fails to hold in this experiment. Even Edgeworth, who argued that “the first principle of Economics is that

[214] c.f. Wilson (1976), 371
[215] c.f. Wilson (1976), 370
[216] c.f. Wilson (1976), 371

every agent is actuated only by self-interest"[217], also says that "man is for the most part an impure egoist"[218]. Commenting on an earlier draft of Edgeworths' article scholars confirm that "non-self-interested behaviour should be expected in a society like ours"[219], since our culture teaches us to cooperate altruistically in many contexts.[220]

7 Conclusion: Key Issues

The analysis of motivational differences suggests that there may be significant dissimilarities regarding sector choice between for-profit and non-profit workers.
While it is clear that "helping the community is a socially desirable value, serving an organization's legitimate needs is an equally genuine goal"[221]. Since non-profit institutions account for a sizeable and growing share of Austria's economic activity, findings regarding the motivational trigger of the Third Sector employees increasingly gain importance.

The research reveals that an altruistic impulse does exist in the case of non-profit professionals and volunteers. Numerous scholars have argued that these individuals are motivated less by material rewards and more by psychological rewards, such as contentment from serving the public interest. There is supporting evidence that these individuals place a higher value on helping others. Moral obligations and concerns are shown to be powerful and consistent motivators of helping behaviour.

The findings of this research are important for one major reason; differences in motivation suggest that alternative systems of rewards and incentives should be used to recruit and retain productive employees. As a consequence, sector-specific management practices and incentive structures are needed in order to motivate employees in the non-profit sectors. As mentioned initially, this becomes a major concern in times when human beings are increasingly willing to shift between sectors in order to find a job that best suits their individual conceivability.

[217] Edgeworth (1881), 16
[218] Sen (2003), 317
[219] Frohlich et al. (1984), 21
[220] c.f. Frohlich et al. (1984), 21
[221] Austin et al. (2005)

As could be seen throughout the analysis, altruism -or at least the willingness to consider others in one's overall calculations- is natural to human beings. Whether this naturalness is "encoded in genes, inculcated through socialization, or based in social norms"[222] still requires further examination by scientists.

[222] Piliavin et al. (1990), 58

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Appendix

The International Classification of Non-Profit Organizations

GROUP 1: CULTURE AND RECREATION
1 100 Culture and Arts
1 200 Sports
1 300 Other Recreation and Social Clubs

GROUP 2: EDUCATION AND RESEARCH
2 100 Primary and Secondary Education
2 200 Higher Education
2 300 Other Education
2 400 Research

GROUP 3: HEALTH
3 100 Hospitals and Rehabilitation
3 200 Nursing Homes
3 300 Mental Health and Crisis Intervention
3 400 Other Health Services

GROUP 4: SOCIAL SERVICES
4 100 Social Services
4 200 Emergency and Relief
4 300 Income Support and Maintenance

GROUP 5: ENVIRONMENT
5 100 Environment
5 200 Animal Protection

GROUP 6: DEVELOPMENT AND HOUSING
6 100 Economic, Social and Community Development
6 200 Housing
6 300 Employment and Training

GROUP 7: LAW, ADVOCACY AND POLITICS
7 100 Civic and Advocacy Organizations
7 200 Law and Legal Services
7 300 Political Organizations

GROUP 8: PHILANTHROPIC INTERMEDIARIES AND VOLUNTARISM PROMOTION

GROUP 9: INTERNATIONAL

GROUP 10: RELIGION

GROUP 11: BUSINESS AND PROFESSIONAL ASSOCIATIONS, UNIONS

GROUP 12: [NOT ELSEWHERE CLASSIFIED]

Source: Anheier et al. (1996), 7

Abstract (English)

Work motivation is one of the central topics in organizational studies, although researchers have struggled with methods for measuring the various dimensions of motivation. Until now, relatively little has been known about differences in non-profit career motivations. With the Third Sector expanding rapidly, comprehending the underlying motivational factors becomes increasingly important. The study therefore focuses on the factors that motivate an individual's job choice.

By comparing the job motivations of non-profit employees, one can improve understanding of the motivational correlations of sector choice.
This study aims to contribute to a better understanding of the non-profit sector by examining the distinctive career motivations of its employees. Particularly, it investigates what motivates non-profit personnel to accept a job in their current organization. The underlying assumption in this research is that people choose to work in a sector that they expect will provide them with benefits they consider important, regardless of whether they are extrinsic or intrinsic rewards. It is theorized that because individuals perceive differences in the type and amount of rewards offered by each employment sector, individuals self-select themselves into the sector that provides their preferred reward and incentive structure.

Early theories on individuals' motivation recognized the multidimensionality of work motivation. Thus, it is explored in the paper on hand whether professionals or volunteers working in the non-profit sector are motivated intrinsically/extrinsically, and altruistically/egoistically. The findings of the paper are of great importance, since information about work motivation helps explain the work-related behaviours involved in getting a job, keeping a job, and - probably most importantly for the organization - the individuals' job performance.

Abstract (German)

Motivation sowohl intrinsisch als extrinsisch, ruft die Bereitschaft zur Leistung hervor und gilt daher als eine der bedeutendsten Variablen im Leistungserstellungsprozess. Organisationen haben heutzutage erkannt, dass der individuellen Motivation der Arbeitnehmer eine wichtige Rolle zuzuordnen ist. Obwohl es der Wissenschaft immer noch Schwierigkeiten bereitet, den Facettenreichtum der Motivation eindeutig zu analysieren, ist und bleibt die Thematik einer der zentralen Inhalte der Arbeits- und Organisationsforschung. Aufgrund der Komplexität des Konstrukts 'Motivation' sind bisher nur begrenzt empirische Ergebnisse überliefert. Im Zuge der zunehmenden Bedeutung der Sozialwirtschaft in der Gesellschaft ist die Wissenschaft jedoch bestrebt, motivationale Faktoren einer Sektorwahl tiefer zu erörtern.

Ein Wirtschaftssektor wie die Sozialwirtschaft kann weder erfolgreich noch effizient Leistungen erbringen, ohne dem entsprechenden Engagement und der nötigen Loyalität seiner Arbeitskräfte. Information über die Arbeitsmotivation gibt den Organisationen daher Aufschluss über die Arbeitsleistung ihrer Angestellten.

Die Untersuchung geht davon aus, dass Individuen sich für eine berufliche Laufbahn in jenem Sektor entscheiden, welcher den größten persönlichen Nutzen verspricht, unabhängig davon ob intrinsischer oder extrinsischer Natur. Es wird dabei angenommen, dass es aufgrund der assoziierten Gegenleistung zu einem Selbst-Selektionsprozess der Mitarbeiter in die verschiedenen Wirtschaftssektoren kommt.

Neben der extrinsichen/intrinsischen Beobachtung wird weiters untersucht, inwieweit die Arbeitsmotivation altruistischen bzw. egoistischen Ursprunges ist. Personen, die eindeutig altruistisch geprägt sind und deren Werte mit denen der Organisation optimal übereinstimmen (entsprechend einen hohen Grad des sog. 'Person-Organisation Fit' aufweisen), wird in der Regel hohe Leistungsbereitschaft unterstellt. Für Organisationen ist es daher erstrebenswert, jene Individuen zu identifizieren und ihre Anstellung zu fördern.

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