
BOOK REVIEWS

GOOD TO GREAT IN THE SOCIAL SECTORS: WHY BUSINESS THINKING IS NOT THE ANSWER

By Jim Collins,
Boulder, Colorado

*Reviewed by Michael Zigarelli,
Messiah College*

This is a worthwhile read, and refreshingly, one that fits everyone's time budget. At a svelte 36 pages (yes 36, that's no typo), most readers will be returning it to the shelf in a half an hour. Beware, though: if you do, you will have missed something truly valuable.

Good to Great in the Social Sectors is a resource to be *studied* not merely read, just as the book for which it is a supplement, Collins' classic *Good to Great* (2001), is a book to be studied. His ideas will assist nonprofit leaders in all contexts to advance their cause and to deliver on their mission.

For years these leaders have been plagued by the mantra "you must become more like a business." Collins, in his opening paragraph (as well as his subtitle), provides a quick antidote for that plague:

"We must reject the idea—well-intentioned, but dead wrong—that the primary path to greatness in the social sector is to become 'more like a business.' Most businesses—like most of anything else in life—fall somewhere between medio-

cre and good. Few are great. When you compare great companies with good ones, many widely practiced business norms turn out to correlate with mediocrity, not greatness. So, then, why would we want to import the practices of mediocrity into the social sectors?"

What should social sector organizations become, if not more like businesses? Simply stated, they should become great organizations, and Jim Collins intends to demonstrate how.

In *Good to Great*, Collins used paired-comparisons of several for-profit businesses to investigate what separates the gold medalist from the silver medalists—the companies that consistently achieve above market returns from those similarly-situated companies that achieve merely good returns. But after being inundated with emails from "non-business" people who devoured the book (about 30 to 50 percent of the feedback he received), Collins chose to create this addendum, specifically designed for the nonprofit or what he calls the "social sector" leader.

However, his methodology is not the same here, nor is it as painstaking or compelling. After interviewing “more than 100 social sector leaders,” Collins issued this “monograph to accompany *Good to Great*,” essentially an interim report while he and his team begin to apply the more rigorous methodology to this sector for a later book.

His conclusions map to the ideas from the original work. Here is a sampling:

- The “Level 5 Leadership” style (personal humility combined with passion for the cause) is even more important in the social sector where decisions are less top-down and where power is more diffuse. In fact, we may find, on balance, *better* leadership in the social sector than in the for-profit sector, since many nonprofit employees, volunteers and donors do not have to follow.
- The “First Who” principle (getting the right people on the bus and the wrong people off the bus) may also be more important in the social sector, where people are generally paid less—or not at all. To get there, Collins recommends being exceedingly selective when hiring people, conjecturing that setting the bar high tends to attract the best people.
- The “Hedgehog Principle” (focus on doing one thing very well) is essential in the social sector where distraction and scattered purposes can be fatal. Consequently, leaders should reject resource streams and other temptations that take them away from their core mission.
- The strength of the nonprofit organization’s brand is the key to getting the “Flywheel” turning (eventual, self-sustaining momentum). When an organization has a credible and trustworthy brand, donors will offer

more “unrestricted” resources, instead of the earmarked, restricted resources that often prevent nonprofits from growing to the next level.

On page after page, readers will find themselves smiling or nodding or scribbling notes because the ideas make sense—all the more for those who have led or consulted with nonprofits. But conspicuously absent are the data-driven conclusions that so many have come to expect from Collins’ work. The conclusions in this book come across as intuitive but sometimes subjective because there are no quantitative results ... yet. Collins has indeed set the bar high with *Built to Last* and *Good to Great*, and most recently with *How the Mighty Fall*, so sometimes this good book does not seem nearly good enough.

Notwithstanding, and despite its brevity, this is an incisive resource and a stimulating set of hypotheses. Beyond that, the stories of “great” organizations like the Cleveland Orchestra, the NYPD, the Stanford athletic program, the Girl Scouts of America, the Center for the Homeless, and Teach for America are inspiring and illustrative. Even seasoned nonprofit leaders will enjoy a few epiphanies.

So take an hour and read it twice. Then take a few more and rethink everything.

ABOUT THE AUTHOR



Michael Zigarelli is a Professor of Leadership and Strategy at Messiah College and the former Dean of the Regent University School of Business. His research in the fields of management, practical theology, law, and ethics has appeared in a number of scholarly journals and magazines, and he is the author of ten books, including *Influencing Like Jesus*, *The Minister’s MBA*, *Cultivating Christian Character*, and *Management by Proverbs*.