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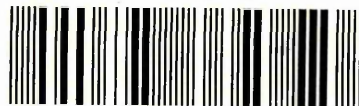
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Sustainability in Voluntary Organisations: Exploring the dynamics of organisational strategy

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A thesis submitted in partial fulfilment of the requirements of
Sheffield Hallam University for the degree of Doctor of Philosophy

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ABSTRACT

This thesis aims to develop further understanding of organisational sustainability in the voluntary sector, as a complex and dynamic phenomena inextricably linked to capacity for survival. In taking a holistic approach to exploring the dynamics of sustainability, the study considers the influencing factors, both internal and external, that can drive strategic change within voluntary organisations through an extensive multi-method research programme incorporating exploratory focus groups, descriptive survey fieldwork and multiple-case studies. Specifically, the research outlines the major internal and external systems that are important for voluntary organisations to consider when developing strategies for sustainability and, perhaps more importantly, explores the interconnections between them.

The thesis departs from much of the dedicated voluntary sector literature, which often adopts a rationalist prescriptive approach to organisation and management. In aiming to advance something of a more critical approach, which considers what may be termed the 'emotional' side of strategy, the study makes a key contribution to the voluntary sector strategy literature. Ultimately, the author argues that to study, govern and manage voluntary organisations involves thinking about philosophy, politics and ethics. In the context of developing strategies for sustainability, this equates to considering who says what the job is, how it should be done, and how people are affected by doing it one way rather than another. In this regard, it would appear that acceptance and legitimisation of certain (pluralist or unitary) approaches to strategy and change is associated with the coherence between that approach and the social values expressed in the organisation's service work.

It is argued that there is potential for voluntary organisations to utilise the strategy process to surface, articulate and test assumptions across organisational functions and hierarchy. This is especially relevant because of the turbulent environment that many organisations in the voluntary sector face and the diversity of the many stakeholders who have an interest in the organisation's long-term ability to achieve its mission. In these circumstances, it is unlikely that those individuals at the apex of the organisation (be they trustees and/or senior management) will be able to 'figure it out from the top' and have everyone else 'following the orders'. The practical implication of the thesis is that if strategy is, at least partly, about collective purpose and shared visions of the future, trustees and managers of voluntary organisations must recognise this explicitly in the way they create strategy. Indeed, the study demonstrates how some voluntary organisations have deeply involved individuals throughout the organisation in the strategy process as a means of creating, raising and sustaining commitment to a co-created future vision of the organisation.

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Last, but by no means least, a significant debt of gratitude is owed to my family - particularly mum, Marie, and partner, Darren - who provided encouragement at the times I needed it most. Amy Carter deserves a special mention in this regard - her words have provided significant inspiration on many occasions.

This thesis is dedicated to my Dad, Roy -

"One person with belief is equal to a force of ninety-nine who have only interest."

John Stuart Mills

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REFLEXIVE CODA

This reflexive coda is an addition to the thesis following my Viva, at which the examiners requested that a summary of (a) the process of developing the thesis and (b) its initial use with practitioners be provided. What follows, is my 'story' in this regard.

Thesis Development: Study Genesis, Tensions and Contradictions

There are a number of important points to note in relation to the genesis and development of this study, which help to set the context for and tensions surrounding the structure of the thesis. Firstly, however, it is important to begin with a note about the origin and subsequent focus of this doctoral research programme, which is firmly rooted in the geographical context of South Yorkshire. My interest in organisational sustainability in the voluntary sector was initiated through being employed as a research practitioner within a local infrastructure organisation in South Yorkshire. This role involved undertaking a study to assess the economic and social contribution of the local voluntary sector to the Rotherham district. For me, it was this study that raised considerable concerns regarding the sustainability of small and medium sized organisations. On a personal note, the experience of being subject to annual funding cycles and one-year employment contracts also made sustainability an interesting concept at the individual level.

Adopting a reflexive, critical approach to management research in the voluntary sector, while conforming to academic traditions during the write up of this thesis has surfaced some tensions and contradictions between the epistemological / research approach I adopted for this study and the structure of the thesis. An underpinning contribution of this thesis is that it brings a critical approach to management research and practice - which has been gaining ground in mainstream literature over recent decades - into the voluntary sector domain. In so doing, I have applied a reflexive, critical approach to research methodology and theoretical development.

At a practical level, the questions guiding my research programme were developed during the first year of the PhD programme, at which time I undertook a somewhat general review of the voluntary sector management literature. However, it was not until the exploratory phases of the fieldwork had been completed and interpreted to form the heuristic presented in chapter 8 (p. 162), that the detailed review of literature

- pertaining to the key components of the heuristic - took place. As a result, there is greater synergy between the literature chapters, as they appear in the thesis, and the exploratory fieldwork and heuristic chapters than between the research questions posed in chapter 1 and the literature chapters that follow. This iterative approach is contrary to many traditional studies, whereby research questions are developed following an in-depth review of existing literature and prior to data collection.

After exploring such issues during the Viva, the examiners felt that, by following what I understood to be the conventions of a traditional thesis structure, the critical, reflexive approach I advocate so strongly in the *content* of the thesis has not been emphasised during the *process* of writing-up the research. In hindsight, a structure that better reflects the critical epistemology and reflexive approach adopted for the study, and elucidates the practical implications of such an approach, may have done the subject greater justice and provided further clarity for the reader.

Using the Heuristic as a Tool to Enhance Reflective Practice

Following submission of this thesis for examination, Sheffield Hallam University (SHU) organised a pilot programme of two one-day Continuing Professional Development (CPD) events. The purpose of these events was to help staff, managers, charity trustees and social enterprise directors learn about, and reflect upon, the role and practice of governance and strategic decision-making in third sector organisations. The first event took place with a mixed group, comprising of individuals from 10 different organisations, while the second was delivered to a group of staff and trustees within a single local infrastructure organisation. The CPD events were delivered by two academic colleagues - Dr Rory Ridley-Duff from SHU and Mike Bull from Manchester Metropolitan University - and I using a mixture of presentations, active participation and group discussion. The seminars linked together three topics:

- Strategic Management: Developing 'Balance' in Third Sector Organisations (Mike Bull)
- Internal Accountability: The Human Resource / Trustee Interface in Strategic Decision-Making (Tracey Coule)
- Enterprise Governance: The Impact of Values on Strategic Planning (Rory Ridley-Duff)

As suggested by its title, my seminar focused on a number of specific elements of the heuristic presented in figure 6 (p. 162) of this thesis, in order to promote reflection on bridging the divide between trustee boards and other stakeholders within voluntary organisations. Using cases from my doctoral research, I encouraged practitioners to reflect on and discuss the forums in which strategic decisions are taken, and the dynamics that may arise between different internal and external stakeholders (particularly trustees, staff, members/service users, funders and regulators).

To encourage practitioners to take a holistic view of strategic decision-making, which considers the interconnectedness of the organisation and its environment, I opened my seminar with a discussion of the systemic diagram presented in figure 5 (p.157) of the thesis. The seminar made further use of the theoretical arguments presented in chapter 10 to develop practitioners' awareness of the ways in which values, power and culture can influence governance and management practices. This was achieved by supplementing practical case study material with theoretical ideas relating to HR/governance dynamics and strategy development (table 6, p. 247) and accountability as a strategic choice (figure 8, p.256) that represents an important driver for organisational behaviour.

Feedback from the single organisation suggests that the CPD event opened dialogue between staff and trustees within the infrastructure body that would ordinarily not take place. Moreover, several feedback forms draw attention to the value of having time to reflect on governance and management practice. Within one week of the event, the Chief Executive Officer had prioritised three developmental areas: board maintenance and development; board/staff communication; and involving members in governance.

1 INTRODUCTION

This thesis aims to develop further understanding of organisational sustainability in the voluntary sector. It does so through a thorough exploration of the dynamic nature of organisational sustainability, and by illustrating the challenges faced by voluntary organisations in taking a systems approach to developing strategies for sustainability. The integrated approach to sustainability suggested by this study thus focuses on the relationships between organisation (internal dimensions) environment (external dimensions) and strategy. The second major theme of this thesis is the need to look beyond content to the strategy creation process, with a particular emphasis on the interrelationship between the governance and human resource systems of voluntary organisations.

This introductory chapter sets the scene for the rest of the thesis, describing the theoretical setting and context of the research, the aims which underlie the study and a brief discussion of the terms and definitions in use. Finally, the chapter provides an overview of the research methodology and the structure that the thesis adopts.

1.1 Background

Voluntary action preceded the development of both state and market welfare provision in the UK, surviving the emergence of a statutory 'welfare state' and continuing to function alongside providers from a number of different service sectors (Alcock, 1996). Indeed, in the late 1800s, the majority of welfare services were provided through private charity or through mutual aid organisations, with state support limited to filling gaps in this provision (Brenton, 1985). Prochaska (1990 p. 358) reports that "the average middle class family was spending more on charity than on any other single item except food" and the income of London charities alone was "greater than that of several nation states". By the time the Wolfenden Committee Report concerning the future of the voluntary sector was published in 1978 there had been a dramatic turnaround, with the report suggesting it is the voluntary sector that exists to fill gaps in state provision. The perception now was of the voluntary sector as more of a "junior partner in the welfare firm" (Owen, 1964 p. 527).

Interestingly, there has again been a relatively recent upsurge of interest in the voluntary sector, both among policy makers and academics alike (Glasby, 2001). The findings from previous research suggest that the voluntary sector brings significant

added value in both social and economic terms (Webster, 2000; Lewis, 2001; Coule 2003a; Macmillan, 2006, Wainwright et al., 2006). However, the sustainability of small and medium sized organisations is of considerable concern. Growth and change have placed new demands on physical infrastructure, and in many cases, increased service provision continues to be supported by an under-resourced infrastructure (Scott et al., 2000; Coule 2003b, 2004; Home Office, 2004). This has implications for both service delivery and organisational sustainability.

In as complex and unpredictable a world as the voluntary sector, it can be argued that the very act of survival is in itself a major achievement, demonstrated by a growing body of literature on the difficulties that many contemporary voluntary organisations face, which will be reviewed in later chapters. However, the study of the characteristics which enable agencies to overcome such difficulties remains relatively neglected, with the most common approach being to provide a self-help textbook which enables voluntary sector workers and managers to understand voluntary organisations and make them function more effectively (Handy, 1988). This approach usually involves employing key lessons from organisational theory to teach practitioners how to improve their practice. Throughout, there is an assumption that if the theories are put into practice, voluntary organisations will be able to prosper and grow. Thus, even fairly recent publications such as Jackson & Donovan's (1999) *Managing to Survive* is not a study of those factors that enable voluntary organisations to survive change, but a basic 'how to' book which guides workers through the tenets of managerial good practice in the non-profit sector (also see Hudson, 1999, 2003; Gann, 1996). This often equates to prescriptions on how to get the job done without consideration of who says what the job is, how it should be done, and how people are affected by doing one way rather than another (Grey, 2005). This literature thus often fails to recognise how members of voluntary organisations apply social values to management and governance practices.

It is also worth noting that some authors, such as Wilson (1996), warn against the direct application of management ideas and practices developed in the for-profit sector without careful consideration of the context in which they will be applied. Paton & Cornforth (1992) highlight that the stakeholders of voluntary organisations can include clients, government agencies, funding bodies and other organisations, and that each stakeholder will present a variety of contingencies which must be managed,

but which are unlikely to be homogeneous across a range of organisations. Paton & Cornforth therefore conclude that the heterogeneity of stakeholders and their demands in the voluntary sector prevents the adoption of blanket managerial practices from the for-profit arena. Knapp et al. (1987), for example, reveal that the influences of just one stakeholder, government funders, can result in financial dependency and the erosion of autonomy; over-regulation; a propensity to adopt bureaucratic structures and to modify organisational goals in line with those of the funder.

The vision for sustainability is therefore a complex one. Balancing the different and legitimate needs and goals of stakeholders can result in work systems finding themselves amongst contradictory forces and demands that have to be considered and acted upon in order to realise potentials and generate values (Whilhelmson & Döös, 2002). Indeed, Scott et al. (2000 p. 26) argue that, to be sustainable, a voluntary organisation must “reconcile the sometimes divergent interests of its stakeholders”.

Whilhelmson & Döös (2002, p.1) concur that sustainability is “an interesting but problematic concept” as it is often thought of as “a state of being, possible to reach, and entirely positive and good”. Sustainability cannot be regarded as a static characteristic of a structure or process because everything in the system is constantly on the move; a definition of sustainability should focus on the dynamic qualities of a system (Backström, Eijnatten & Kira, 2002).

Change, a major research topic often linked to both survival (Billis, 1996) and sustainability (Whilhelmson & Döös, 2002), is a constant feature of organisations in the voluntary sector. Its overall impact has been to “focus attention on strategic decision making in voluntary organisations, not only to ensure survival but also to facilitate future planning and sustain the momentum of change” (Wilson, 1996 p.80). If organisational sustainability can be defined as “the long term ability of an organisation to achieve its mission, then it follows that the first move to a more sustainable future lies in strategic planning” (NCVO, 2006 p. 2). However, the financial uncertainty experienced by many voluntary organisations can be destabilising and can hinder the development of effective strategy, which is closely associated with organisational change (Mintzberg et al., 1998). For many voluntary organisations, planning has historically been at the heart of what they do. However, Bryson (1988) and NCVO (2006) assert that engaging extensively in formal strategy development is a relatively recent phenomenon for many. Strategy, therefore, can

tend to be emergent. A primary reason for this could be organisational survival; because funding is limited and services are required immediately, the strategy of many voluntary organisations is to focus on the needs of immediate circumstances rather than on longer-term issues. However, in a mainstream context, Doig (1999) reports that his research participants saw obsession with short-term results as a significant impediment to organisational sustainability, and a contributing factor to inertia – sluggishness to change. The relentless chase for short-term financial returns in itself thus leads to instability and even serious economic crisis.

1.2 Research questions/aim

This study focuses on the interrelationship between three areas of interest. Broadly, the research aims to explore the nature of **sustainability** in **voluntary organisations**, and the role and process of **organisational strategy**.

Importantly, the research aims to be of both theoretical and applied value, in that it involves both intellectual and practical aims. The study not only seeks to explore and explain the dynamic nature of organisational sustainability in the voluntary sector, but also to provide a useful framework for the development of appropriate strategies for sustainability at an organisational level.

Against this background, the following research questions will guide the thesis:

1. How do the internal systems and external environment of voluntary organisations interplay to affect sustainability?
2. How appropriate are existing voluntary sector models of organisational change for the study of sustainability?
3. How do voluntary organisations approach strategy development and in what ways do they relate it to organisational sustainability?
4. How is strategy development influenced by the governance/human resource system dynamic and how does this affect major resource decisions, the setting and safeguarding of mission and values, and the decisions regarding long-term goals?

Ultimately, this research will seek to develop:

5. A systemic theoretical framework of organisational sustainability in the voluntary sector, offering an approach which moves away from crisis

management and short term survival towards proactively developing strategies for sustainability.

1.3 Terminology and working definitions

This research aims to explore the nature of sustainability in the voluntary sector. Studies in these fields present definitional problems and different uses of various terms. The substantial number of organisations that associate with the voluntary sector, and the complexity of purpose and causes that organisations represent, make it virtually impossible *clearly* to define the voluntary sector. It has been customary to view the voluntary sector as that which is not for profit (private) and not statutory (public). The private and statutory sectors are usually more clearly defined, whilst the voluntary sector tends to be seen in negative or residual terms according to what it is not; that is, not for profit (private) and not statutory (public). The tendency is for society to be seen primarily as a market economy and to assume that most transactions will occur individually via the marketplace (Marshall, 1996). Hansmann (1980) suggests that the concept of market failure or contract failure explains the need for a complementary sector. In short, the welfare state concept gives the statutory sector dominance in this role of mopping up the market failure. Within this model, the role of the voluntary sector is seen as dealing with what might be termed statutory failure, mopping up the needs of minority interest groups, extending provision beyond the basic, filling gaps, providing a more personalised approach – a safety-net below the safety-net (Marshall, 1996). However, this way of viewing the sector is historically inaccurate. As section 1.1 has shown, voluntary action preceded the growth of a market economy and of the state.

The 'general charities' definition, developed and applied by the National Council for Voluntary Organisations (Jas et al., 2002; Wainwright et al, 2006; Reichardt et al., 2008) does however set out the criteria that voluntary organisations should meet. These are:

- Formality – the people and their activities are subject to rules and procedures, and there is a recognisable structure in place.
- Independence – organisations operate independently, autonomous to the statutory and private sectors.

- Non-profit distribution – organisations direct proceeds, generated from activities undertaken, back into achieving the organisation’s charitable objectives and helping the public.
- Self-governing – they are in a position of determining their own course.
- Voluntarism – there is a meaningful degree of voluntary giving of time and/or money.
- Public benefit – organisations exist for the benefit of the wider public or specific groups within a wider society, but not solely for the benefit of its own members.

In this study, the term voluntary sector is used deliberately to emphasise that the focus of attention is orientated towards those organisations that are non profit making, self-governing, autonomous of the statutory and private sectors, and provide a wider public benefit to the community. The term, therefore, is used as a signpost rather than a strict definition. However, it is worth noting that this study focuses on medium sized voluntary organisations (with an annual income of £150,000 - £950,000) that employ paid staff.

The notion of sustainability has also been the source of a great deal of definitional and conceptual debate. Sustainability, or organisational sustainability, can be defined in several different ways. Giusti (2004 p.2) suggests the following as a possible definition:

“The capacity of an organisation to operate in the long term pursuing its own declared aims/objectives and maintaining its own culture while servicing its own endowment.”

Two key elements emerge in this definition:

- Pursuing declared aims and objectives and maintaining culture, meaning operating in faithfulness to the original intent/mission.
- Servicing the own endowment: in other words this means that the “sum of assets (of various nature) constituting the organisation, must be serviced, least the organisations starts shrinking and eventually dies” (Giusti, 2004 p. 2). In this way, sustainability is inextricably linked to viability (capacity for survival).

Similarly, but specifically from a voluntary sector perspective, the NCVO (2006 p. 2) define sustainability as “the long term ability of an organisation to achieve its

mission". Although such a definition may appear simplistic at first glance, it carries a number of implications that are worth further exploration here. Firstly, an organisation must be able to introduce new activities that meet the needs of its stakeholders - any "group or individual who can affect, or is affected by, the achievement of an organisation's purpose" (Hart et al., 1997 p. 190). As stakeholder needs change, so the system must be able to adapt, implying that sustainability is not static. Defining sustainability as dynamic implies that *every* organisation is under development. Whilst this thesis accepts and adopts NCVO's definition of sustainability, it is important to stress again that sustainability is not regarded as a static characteristic of a structure or process; the research that underpins the thesis therefore focuses on the dynamic nature of organisational sustainability. As Fowler (2000) suggests, no condition is permanent or controllable. The core task in sustainability is creating conditions so that benefits endure under changing conditions – in other words, to engender adaptability based on an understanding of what sustainability demands at any particular place or moment.

1.4 Methodological overview

This research will attempt to offer a systemic approach to the understanding of organisational sustainability in the voluntary sector through combining both qualitative and quantitative research methods. In order to investigate the aims identified in 1.2, the following multi-method approach is being employed (each of these elements will be discussed in further detail in chapter 6):

- Five exploratory focus groups (two groups with trustees, two with chief executive officers, and one with project managers/officers) to clarify the scope of the study and facilitate the development of appropriate themes for survey fieldwork. This phase of the fieldwork predominantly addresses research questions 1 and 2.
- (Descriptive) survey fieldwork with voluntary organisations operating across England and Wales, using a sample of 1,176 organisations drawn from the Charity Commission's Register of Charities to establish the wider relevance of the themes generated by the qualitative focus groups, again primarily addressing research questions 1 and 2.
- Multiple-case studies within four voluntary organisations to focus specifically on key themes arising from the exploratory fieldwork, namely strategy development and the ways in which voluntary organisations relate it

to organisational sustainability. Of primary interest, is the impact of the governance/human resource system dynamic on strategy development. This phase of the research is predominantly focused on research questions 3 and 4.

Together, the three research phases culminate in the development of the theoretical framework proposed in point 5 of section 1.2. In advocating the use of a multi-method approach, particularly one which utilises qualitative and quantitative techniques, researchers encounter the fundamental and often contentious issue of whether or not qualitative and quantitative approaches are suitable partners given their broad theoretical discrepancies. Historically, deep-seated antagonisms have existed between qualitative and quantitative researchers. These tensions derive from differences in goals and epistemologies. However, within the so-called qualitative-quantitative debate, to say that one approach is superior to the other is trivialising what is a far more complex topic than a dichotomous choice can settle. Indeed, Fraenkel (1995 p. 120) urges that “the tension between nomothetic and ideographic approaches should come to have more the form and flavour of a healthy dialect, rather than that of an acrimonious debate”. Fraenkel also recommends that researchers use the strengths of both to gain a greater perspective, and suggests that a research paradigm that utilizes both qualitative and quantitative methodologies could be productive. In fact, Sells, Smith and Sprenkle (1995) have also argued for what they term a multi-method, bidirectional research model, whereby qualitative and quantitative methods build upon each other and offer information that neither one alone could provide. Bevelas (1995) ultimately suggests that we should challenge the dichotomy way of viewing the two approaches, and instead, replace it with a continuum way of discussing and using qualitative and quantitative research methods.

However, it is important to recognise that multi-method research is not intrinsically superior to mono-method research: just like mono-method research, multi-method research must be competently designed and conducted, and appropriate to the research questions or research area concerned. Whilst the amount of multi-method research has certainly been increasing since the early 1980s, not all writers on research methods agree that such integration is either desirable or feasible and the qualitative-quantitative debate continues to provoke intense disputes.

1.5 Structure of the thesis

Following this introductory chapter, chapters 2, 3 and 4 outline the conceptual and literature-based context of the research, providing a backdrop for the empirical research generally, and the theoretical arguments that follow in later chapters.

Chapter 2 provides an overview of the external environment in which voluntary organisations operate. Consideration is given to the policy, regulatory, and funding environment, and issues relating to the organisation's constituency (members/service users).

Chapter 3 examines the (internal) organisational setting through consideration of organisational purpose (mission, vision and values), governance, human resources, funding and accountability.

Chapter 4 aims to provide a deeper understanding of organisational change in the voluntary sector. This considers previous studies and models of organisational change within a voluntary sector context and the role of strategy in organisational change.

Chapter 5 provides an overview of the research approach and explores issues of epistemology, including the link between methodology and tacit metatheoretical commitments. Consideration is also given to the implications for the evaluation criteria of the research.

Chapter 6 deals with issues of research design and methods, including a justification of the methods used and a discussion of their potential benefits and drawbacks. Specific attention is given to the integration of the individual methods in addressing the research questions presented in section 1.2.

Chapter 7 presents the empirical data resulting from the two exploratory phases of the research, displaying the emerging themes from the focus group fieldwork and the descriptive statistics from the subsequent survey questionnaire.

Chapter 8 offers an analysis of the empirical exploratory data reported in chapter 7 and presents a tentative heuristic for considering organisational sustainability in the voluntary sector.

Chapter 9 briefly introduces the case study organisations, and presents data from the final phase of the research. Specifically, the data presented serves to support and extend the heuristic in chapter 8.

Chapter 10 begins by considering the implications of the case-study fieldwork for the heuristic presented in chapter 8 before moving on to review and discuss the key individual components of the heuristic. The chapter then makes the case for an integrated systemic approach to sustainability in the voluntary sector, and finally moves beyond the issue of content to discuss social dynamics and the strategy creation process, culminating in the development of a meta-theoretical view of human resource/governance dynamics and strategy development.

In conclusion, chapter 11 considers the limitations of the study, its contribution to knowledge and implications for policy and practice.

1.6 Summary

This chapter has set the scene for the rest of the thesis, offering a brief overview of the research topic and aims, an exploration of some key terminology and working definitions, and an overview of the research methodology and structure of the thesis. A recurring theme within the chapter is the interrelationship between organisational sustainability, strategy and change within the voluntary sector, and the notion that sustainability cannot and should not be regarded as a static characteristic. The next three chapters thus proceed, as indicated above, to explore the conceptual and literature-based context for the research, starting with an overview of the external environment in which voluntary organisations operate in chapter 2.

2 THE VOLUNTARY SECTOR CONTEXT: AN OVERVIEW OF THE OPERATING ENVIRONMENT

Fowler (2000 p. 7) argues that voluntary organisations “control a little, influence a few bigger things, but can only appreciate most factors shaping their operational environment”. Kellock et al. (1998) also suggest that voluntary organisations are increasingly subject to influencing agents, both internal and external, that can drive strategic change – a central theme within this research. These include: the increasing shift from a culture of grants to contracting (Kay, 1996; Lewis, 1993); the increasing focus on income generating, as opposed to mission-based objectives (Perlmutter & Adams, 1990); increasing demands on volunteer trustees (Russell and Scott, 1997) and, the need to modernise the focus/mission of the organisation (Kellock Hay et al. 2001).

In taking a holistic approach to exploring the dynamics of sustainability it is, as suggested by the research questions guiding this thesis, important to consider both the internal systems of voluntary organisations and the external environment in which they operate. This chapter will review key literature relating to the external environment experienced by many voluntary organisations, with a particular focus on some of the key external stakeholders that individually and collectively shape that environment - policy makers, funders, regulators and the organisation’s constituency (members/service users/beneficiaries). In later chapters, the author will argue that an organisation’s understanding of and ability to recognise, understand and adapt – in sustainably orientated ways – to changes which determine the context in which they operate, is central to their sustainability.

2.1 Policy

Many commentators see the early 1980s as one of the defining periods in the history of the voluntary sector (Harris, Rochester & Halfpenny, 2001; Palmer & Randall, 2002). The Wolfenden Committee report (Wolfenden, 1978) concerning the future of the sector described four historical periods for charity: paternalism to 1834; voluntary expansionism 1834-1905; emergence of Statutory Services 1905-1945; Welfare State 1945 – . The report was published at the beginning of dramatic change which was to see “the end of the consensus of British political parties to the Welfare State that had

been established since the end of the Second World War” (Palmer and Randall, 2002 p. 2).

The Conservative Government elected in 1979 was fuelled by an economic theory that placed market forces as the determinant of survival; these changes created what is often referred to as a ‘mixed economy of care’. The 1979-1997 Conservative government began radically to change the philosophical thrust of welfare delivery – giving responsibility for welfare back to the individual and curbing the power of local authorities (Palmer & Randall, 2002). The Thatcher government saw the voluntary sector as enhancing this role and increased funding to the sector; at the end of the 1980s, it was estimated that central government funding had increased in real terms by 90 per cent over the decade (CAF, 1989 p.5). Local government moved from being primarily a service deliverer to a resource provider, which was subsequently termed the contract culture (Deakin, 1993; Dart, 2004).

The mixed economy of care produced what could be described as contradictory impacts on the voluntary sector. Voluntary organisations, on the one hand, were placed at the centre of social policy and had the opportunity for an expanded role in welfare provision (Harris, Rochester & Halfpenny, 2001). For some voluntary organisations, this meant taking increasing responsibility for delivering mainstream services traditionally provided by the state (Badham & Eadie, 2002). Thus, between the state and the economy, a third sector evolved during the late 1970s and 1980s as a new subject of social policy. Originating in the changing economic and political conditions associated with the crisis of the welfare state a significant increase in the number and types of voluntary organisation began in the 1970s, alongside a takeoff in their utilisation and funding by governments to implement public policy (Kramer, 2000). Although the status of the sector was enhanced by its involvement in social policy:

“Other concurrent new themes in social policy in the Thatcher period were increasingly leading voluntary sector managers to feel that they were at best ‘junior partners’ in the new era of welfare pluralism and at worst helpless supplicants.”

(Harris, Rochester & Halfpenny, 2001 p.3)

The 1980s generated various forms of privatisation of many governmental functions, which resulted in the rapid growth in commercialisation and competition in fields formerly dominated by voluntary organisations in health care, education, and the

social services (Adams and Perlmutter, 1991; Tuckman, 1998). New structural forms proliferated in which hybrid or pseudo non-profits have spun-off commercial subsidiaries (McGovern, 1989; Scotchmer and van Benschoten, 1999). At the same time, numerous business and industrial corporations have converted to non-profit or have established non-profit subsidiaries (Kuttner, 1997; Weisbrod, 1998).

These processes of expansion and commercialisation have contributed, at least in part, to the recent but less recognised societal trend toward *convergence and blurring* of sectoral boundaries in the “mixed social economy,” (Ferris and Graddy, 1999). It reflects the notion that “... the borders that once tidily separated governmental, for profit and nonprofit institutions are quickly vanishing” (Hammack and Young, 1993, p. xiii). Knapp et al. (1990 p. 184) state:

“Although it is still possible to distinguish four basic production or supply varieties – public, voluntary (non-profit), private (for-profit) and informal – the margins between them are blurred. Some behave in a manner fully consistent with the maximisation of either profits or managers’ salaries, and a growing number of public agencies are developing direct labour organisations and all the trappings – but without the benefits – of a commercial enterprise.”

It is worth noting however, that many authors suggest the shifting boundaries—conceptual, legal, political, economic and organisational – between sectors have always been blurred, permeable, and interpenetrated (Brody, 1996; Young, 1999). Other factors contributing to the lessening of differences in the structure, roles, and performance of organisations are their increasing dependence on the same funding sources, public policies, and regulations, as well as the diffusion of a common set of principles of the ‘new managerialism’ across sectoral lines (Bielefeld & Galaskowicz, 1998; Ferris & Graddy, 1989).

From the mid-1970s through the 1980s, a growing number of social scientists (Bruyn, 1977; Perry and Rainey, 1988) rejected the static public-private dichotomy, and increasingly referred, in a variety of ways, to the blurring of boundaries between the sectors. An even earlier advocate of similar views was Smith (1975) in his analysis of the “new political economy” - subsequently named by Lester Salamon a decade later as “third party government” - who declared:

“So great is the interpenetration between the ‘public’ and the ‘private’ sectors, that this basic distinction - on which the political rhetoric and dialogue of modern times has rested - has ceased to be an operational way of understanding reality”

(Cited in Van Til, 1988, p. 95).

This blurring of sectoral boundaries usually has been regarded either as a cause or as the effect of a process of structural isomorphism in which voluntary organisations have become increasingly bureaucratised, professionalized, and commercial (Kramer, 2000). Svetlik (1991, p. 14) states:

“The right question for social policy is... not the choice between one sector or another, but how to combine them most effectively in economic and social terms... The task for experts, administrators, policy makers and interest groups is to find suitable forms of sponsoring, coordinating and regulating different sectors, and providers which will allow and encourage both a democratic public and effective personal control of care services.”

The Labour government, like its Conservative predecessor, views the private and voluntary sector as key mechanisms for delivery of its policies. A major focus of government policy since 2001 has been the reform of public services. This debate explores how public services can best respond to the needs and aspirations of people in the 21st century and how to address the challenges this brings (Blackmore et al., 2005). The desire to transform the way that services are designed and delivered in order to better meet people’s needs has been a strong theme of reforms to date (see for example HM Treasury, 2005; DCLG, 2006) and has underpinned the Government’s policy of enabling voluntary organisations to play a much greater role, particularly in relation to service delivery (Wainwright et al, 2006).

Kendall (2003) also describes an evolving relationship between government and the voluntary sector in the UK, which has placed the sector in an unprecedented position in relation to the delivery of public services. As Kendall outlines:

“The announcement of the Compact in 1998, the upgrading of the Active Communities Unit at the Home Office and the various Treasury Reviews are indicative of a policy thrust on behalf of the Labour Government which has transformed the relationship between the central state and the sector from one characterised by the constraints of ‘vertical’ legal and fiscal support mechanisms to one in which a ‘horizontal’ policy agenda has moved from the margins to the political mainstream.”

(Kendall, 2003 pp. 56-63)

The Compact (outlining a series of principles that should govern the relationship between the government and the voluntary sector) was published in November 1998, with a message from the Prime Minister, which included the following extracts:

This compact... provides a framework, which will help guide our relationship at every level. It recognises that Government and sector fulfil complementary roles in the development and delivery of public policy and services, and that the Government has a role in promoting voluntary and community activity in all areas of our national life.

...The compact will strengthen the relationship between Government and the voluntary sector and is a document of both practical and symbolic importance.”

(Home Office, 1998)

This horizontal policy agenda is clearly expressed in the proposals for civil renewal (Home Office, 2004; Blunket 2003). In seeking to re-invigorate public life and to empower communities to participate in the planning and delivery of public services, the Government recognises the vital contribution of the voluntary sector:

“Voluntary organisations have a crucial role to play in the re-invigoration of public life. They grow out of the determination of committed people to solve problems, press for change and ensure that all sectors of the community have a voice. They also have a distinctive role to play in service delivery, involving citizens from the start and reaching people who feel on the margins of society. We want to boost the contribution these organisations can make and enable them to operate from more secure foundations.”

(Blunkett, 2003 p. 27)

The 2002 Treasury cross-cutting review of the role of the voluntary sector in public service delivery made recommendations to develop a co-ordinated approach across government to support the sector (HM Treasury, 2002). However, whilst this voluntary sector policy thrust has been relatively well embraced at central Government level, on the ground policy implementation has proved less straightforward (Kendall, 2003; Taylor, 2001). It has been suggested that, in part, this is because only a minority of voluntary organisations have a direct relationship with the central state. For the majority of voluntary organisations, the most relevant sector-state relationships are with local government and experience at this level is varied; for example, there has been a mixed response to the development and implementation of local Compacts (Craig et al., 2002; Diamond, 2007) and full cost recovery (Brookes, 2002). Despite the increased attention the subject of core costs has received in recent years, Brookes (2002, p.9) reports that funders are often still reluctant to fund core costs, such as support functions, which are essential to the effective management and administration of project activity/service delivery.

The choices voluntary organisations make in terms of ‘big picture’ advocacy are typically informed by structural constraints to improving the ‘small picture’ lives of people who are disadvantaged or in distress (Fowler, 2000). Their pressure for reform is commonly directed towards the policies and practices of powerful political and economic institutions. For example, proposals by Western governments to accelerate

and ease debt relief for heavily indebted countries is attributed, at least in part, to the continued advocacy pressure from a range of voluntary organisations grouped together as Jubilee 2000 (Fowler 2000), and more recently under the auspices of Make Poverty History.

To be meaningful, voluntary organisation's achievements in high-level policy reform must be translated into real and enduring benefits for their beneficiaries. There are two major issues here. First, the linear model of policy making as an "objective process of analysis and choice of options separated from implementation" (Fowler, 2000 pp. 7-8) is an inadequate understanding of what actually happens. Instead, policy development and implementation are best understood as a chaos of purposes and accidents (Ridell et al., 1995). In other words, the predictability of a policy's effects cannot be assumed, nor can the policy process itself. Second, voluntary organisations are far from in control of how policy development and implementation occur. The potentially big-picture impact of policy influence rests on real commitment, coherent decision making and capabilities of others (Fowler, 2000). A detailed discussion of the issues surrounding policy and strategy development will take place in chapter 4.

Palmer & Randall (2002) conclude that two contrasting views emerge on the relationship of the Labour Government with the voluntary sector. The first advocates that the voluntary sector has come of age and that this has led to the position of the voluntary sector at the heart of public policy. The alternative view is that the spin of New Labour has prevailed and it will prove to be damaging and of little real value (see Lee 2001).

2.2 Funding

Funding, and specifically sustainable funding, remains a key issue for the voluntary sector; many organisations, particularly those of a small and medium-size, have seen little increase in their income over recent years, and that income is almost all taken up by current expenditure, leaving little for investment (Wainwright et al., 2006). Wainwright et al. (2006) also note that some of these organisations are reliant on a single source of funding, which can leave them particularly vulnerable to external pressures. As the financial climate tightens with the demise or reduction of external funding streams, such as the Single Regeneration Budget and European Structural

Funds for example, voluntary organisations will need to focus on and take responsibility for their financial sustainability.

Before proceeding with any further discussion regarding the funding environment, it is worth establishing why funding sustainability is a particular issue for small to medium-sized charities – the focus of this thesis – through a brief exploration of the key evidence presented by Wainwright and her colleagues in *The UK Voluntary Sector Almanac 2006*. It suggests that the sector's income¹ is increasing, but this is largely due to an increase in the number of organisations in the sector; individual organisations would appear to be doing less well as average incomes for all organisations in the sector were either static or falling. The sector's income continues to be heavily concentrated in a relatively small number of organisations, as shown by the following headline findings from the *Almanac 2006*:

- Over two thirds of the sector's total income is now generated by approximately 3,200 organisations, equivalent to 2% of the sector.
- There appears to be an emergence of a small group of 'super charities': 14 organisations (mostly household name brands) with an annual income of over £100 million generate 10% of the sector's income. These organisations have been particularly successful in either securing public donations and legacies, or delivering public services under contract to government, or both.

It is essential that voluntary organisations, which are seeking funds, understand their sources of finance – are they still growing or are they in decline and are they being maximised? For example, Palmer & Randall (2002) demonstrate how, in the mid-1980s, government and public concern about HIV/AIDS meant that charities working in these fields found accessing government funds and raising money from the general public relatively easy. However, by the mid-1990s government funds were no longer available to the same extent and were stagnating or being withdrawn and public interest had moved on. Palmer & Randall (2002) thus conclude that the profile of popular causes changes continually, and go on to cite how charities which help people with drug problems have been traditionally funded by government and trusts as they were not seen as a popular cause for the public to give to – drug addiction being seen

¹ For the purposes of the *UK Voluntary Sector Almanac*, income figures for the sector are based on the general charities definition (see section 1.3).

as self-inflicted. Intelligence about changing profiles of funding is therefore vital to voluntary organisations when raising funds. Voluntary organisations generate income from a range of sources by undertaking a range of activities (Brewster, 2007). Understanding the relationship between these sources and activities can help understand the changing dynamics of the voluntary sector economy. The Voluntary Sector Almanac 2006 states that income is derived from a range of sources, primarily including:

- Individuals
- The public sector (government and its agencies)
- The voluntary sector (such as trusts and grant-making foundations)
- The private sector
- Internal (trading subsidiaries and the proceeds from investments).

The Almanac also presents a useful typology of income type:

- Voluntary income (income freely given, usually as a grant or donation, for which little or no benefit is received by the donor)
- Earned income from the sales of goods and services, including the gross income of trading subsidiaries
- Internally generated income (the proceeds generated from investments and interest on cash balances).

The relative importance of different income streams in 2003/4 is presented in table 1 (p. 19). Wainwright et al. (2006) report that, for the first time, the sector is earning more income than it receives in the form of grants and donations; this is a significant change for a sector for which voluntary income has always been the largest single type of income. At 47.5 per cent, earned income contributes almost half of the sector's £26.3 billion income. It is also notable, and perhaps not surprising given the recent policy developments highlighted in the previous section, that the public sector is the most important source of income for the sector and that contract (or earned) income is worth more than grant (or voluntary) income from this source. Voluntary income from individual donors now only narrowly remains the single most important income stream above earned income from the public sector.

Table 1: Income types and sources 2003/4 (% of total)

		Type of income			
		Earned income	Voluntary income	Investment returns	Total
Source of income	Individuals	14.9	20.6	0.0	35.4
	Public Sector	20.3	17.8	0.0	38.1
	Private Sector	0.3	1.2	0.0	1.4
	Voluntary Sector	4.5	5.4	0.0	9.8
	Internally Generated	7.7	0.0	7.6	15.3
	Total	47.5	44.9	7.6	100

Source: Wainwright et al. (2006)

The move towards earned income and a greater reliance upon public sector sources is hardly surprising. Strategies for sustainability often emphasise the role of earned income, moving away from dependence on voluntary income and generally diversifying income streams (see Fowler, 2000; Palmer & Randall, 2002). There has, for example, been considerable growth in the UK charity retail sector, with the number of charity shops doubling in the 1990s (NGO Finance 2000). This growth is stimulated, at least in part, by competition in the sector, and has brought about changes in the way the sector operates. For example, the sector has become more commercially driven (Parsons 2000), increasingly sophisticated (Quinn, 1999) and 'big business' (Keating 1998). In addition, the preceding section of this chapter serves to highlight how central government policy continues to work towards increasing the level of public services delivered by the voluntary sector, which carries implications beyond financial sustainability (Wallace & Mordaunt, 2007). A recent report from the Charity Commission has highlighted how charities that deliver public services are significantly less likely than other charities to agree that:

- their charitable activities are determined by their mission rather than by funding opportunities;
- they are free to make decisions without pressure to conform to the wishes of funders;
- their trustees are always involved in decisions about what activities or projects to undertake (Charity Commission, 2007a).

Linked to the public service delivery policy thrust and the Government's requirement to demonstrate value for money is the performance evaluation agenda, which now has far-reaching implications for many voluntary organisations. In the 1980s the

Conservative Government introduced a 'Financial Management Initiative' to improve value for money in the public sector. In turn, this created a number of efficiency studies, including one on voluntary sector funding (Home Office, 1990) and the development of performance indicators in the public services. The premise of 'total quality management' is one of continuous improvement, based on the recognition that, in a competitive and changing world, successful organisations must continuously improve the value they give to their customers (Palmer & Randall, 2002). This concept underpins the Financial Management Initiative and subsequent developments including the most recent – Best Value.

The concept of Best Value was introduced by the Local Government Act 1999, and was defined by the government as a duty to deliver services to clear standards, covering both cost and quality – by the most economic, efficient and effective means available. To meet the requirements of Best Value the Quality Standards Task Group, established by the National Council for Voluntary Organisations in 1997 (cited in Palmer & Randall, 2002), recommended that the voluntary sector should: establish quality principles; commit to the concept and practice of continuous improvement; introduce the Excellence Model as the appropriate quality framework to determine the overall success of an organisation.

The Excellence Model was originally developed by the European Foundation for Quality Management and is promoted in the UK by the British Quality Foundation. They suggest that the following principles should be demonstrated by a quality voluntary organisation (Bashir, 1999):

- strives for continuous improvement in all it does
- uses recognised standards or models as a means to continuous improvement and not an end
- agrees requirements with stakeholders and endeavours to meet or exceed these the first time and every time
- promotes equality of opportunity through its internal and external conduct
- is accountable to stakeholders
- adds value to its end users and beneficiaries.

In addition to the performance evaluation requirements of the government, the public are increasingly reluctant to place their unconditional trust in voluntary organisations; they too are looking for information to show that they can have confidence in them

(Tonkiss and Passey, 1999; Harrow & Douthwaite, 2007). It is also now well-established practice for funding providers, including grant-making foundations, to fund projects that have identifiable and measurable outputs (Jas et al., 2002). In the case of voluntary as well as earned income, funding providers are paying greater attention to the evaluation and impact of their investment. Prager (1999) reports that talk among grant-making foundation boards and staff is all about outcomes and how to measure them. However, Prager (1999) notes that this can create the fear that the resulting pre-occupation with measurable outcomes and objective evidence may prevent foundations from taking on the kinds of big issues they are well positioned to address. A further concern is that foundations may be misleading themselves and others by attempting to apply scientific evaluation to areas that, by their very nature, are complex, ambiguous and ever changing.

This section has provided a brief overview of the funding environment of voluntary organisations. It is clear that strategic choices in terms of the source and type of resources will have implications beyond their reliability; they affect what the organisation stands for (Fowler, 2000). It is therefore important that there is an understanding, at an organisational level, about the trade-offs implied when choosing which resources to mobilise and how. These issues are discussed more fully in chapter 3.

2.3 Regulation

In discussing the regulatory framework for voluntary organisations, it is useful to make an important distinction. On the one hand, the trustees of a registered charity have a legal obligation to make an annual return to the Charity Commission which has become more prescriptive in requiring trustees to not just account for the organisation's funds, but to explain how proactive they have been in achieving the organisation's aims (Palmer & Randall, 2002; Charity Commission, 2005). On the other hand, voluntary organisations that are not registered charities or are not registered under other legislation (for example, with the Registrar of Friendly Societies) are governed by their constitution document (Palmer & Randall, 2002). However, charities registered under other legislation must still comply with charity law (Charity Commission, 2006).

As the empirical research underpinning this thesis draws on data from registered charities, the focus of this section is on the regulatory environment of registered charities. However, before proceeding with any discussion of the regulatory environment, it is also worth noting a number of further points of charity law. As Morgan (2007) points out, a charity receives its status by virtue of its objectives and not its legal form - therefore, a charity can be set up, for example, as a trust, an unincorporated association, a limited company, a friendly society, a housing association or by an Act of Parliament. Second, all charities must have a governing document and the nature of this depends on the legal form of the charity. Third, in the case of all charities, the trustees have the duty to ensure that the organisation's income is used only for its charitable purposes and that the organisation complies with all the legal requirements imposed on charities (Morgan, 2007). The specific role of trustees is a discussion to which the author will return in chapter 3.

There were a number of developments which led to the Charities Acts 1992 and 1993; mostly relating to deficiencies regarding the monitoring, control and financial management of charities (see Woodfield, 1987; Committee of Public Accounts, 1988). In May 1988, the Accounting Standards Committee issued the Statement of Recommended Practice Number 2 (Accounting by Charities) (SORP 2), which went beyond the Charities Acts of 1960 and 1985 – something Woodfield and the Committee of Public Accounts were very much in favour of. This was closely followed in the summer of 1988 with a number of consultation papers from the Charity Commission and the Home Office (*Charity Accounts – Consultation Paper* and *The Regulation of Charitable Appeals in England and Wales* respectively). On 16th May 1989, the government presented its White Paper, *Charities: A Framework for the Future*, which included many of the recommendations made in the Woodfield report. However, it was not until 5th November 1991 that the much sought after Charities Bill was finally published and went through the House of Lords and House of Commons in 1992. The Charities Act 1992 was a combination of several years' work and was consolidated into the Charities Act 1993.

Any voluntary organisation with charitable status is required to produce accounts complying with the Charities Act 2006 and (except for organisations with an income below £10,000) to have those accounts independently scrutinised by either a charity independent examiner or auditor (depending on the organisation's income level).

Prior to the Charities Act 1992, there was no general requirement for charities to have their accounts externally scrutinised, and Morgan (2002a p.154) reports that:

“Even the professional audits of large charities were often done against unclear criteria, and for smaller charities the various arrangements for ‘informal auditing’ were often haphazard. If donors and public sector funders were to have confidence in the accounts of the charities they supported, it was clear that a major improvement was needed.”

It was, however, recognised that it would be prohibitively expensive to require even very small charities to have a full professional audit, which led to the development of a regime of independent examinations (Jones, 2002). In short, the Charities Act 1993 created the first statutory regime for scrutiny of accounts of unincorporated charities. The thresholds were amended to allow independent examination to apply for charities with an income up to £250,000, and at the same time, a ‘light touch’ regime was created for charities below £10,000 income (Morgan, 1999). It should be noted that there was no provision for independent examination of the accounts of charitable companies, as the scrutiny requirements for such organisations are governed by the Companies Act (Palmer & Randall, 2002). Further changes, effective from 2007 and 2008, arise from the Charities Act 2006 and Companies Act 2006. But for now, the main point to note is that the scope of regulation has expanded in recent decades (Bolton, 2004).

The publication of the SORP 1995, 2000 and 2005 (Charity Commission, 1995; 2000; 2005) further emphasised that one of the principal aims of accounting by charities must be to improve accountability and make comparisons by members of the general public easier. Palmer & Randall (2002) point out that this subject is not just about the financial affairs of charities, but about reporting generally; all those with an involvement in charity, commonly described as stakeholders (be they donors, beneficiaries, trustees, employees, creditors etc) have the right to expect that the resources entrusted to a charity are being used cost-effectively and efficiently. It must therefore be part of the reporting procedure to ensure that this happens. In accordance with the push for accountability, the SORP provides much detail about the sort of information it wishes to see in the trustees’ annual report, particularly of a narrative nature. This means that the trustees’ report has to include information about the charity’s objects, activities and achievements as well as a commentary on the financial position of the charity. Indeed, Wise (1995 p. 106) holds that a “strategic

review of performance should involve a balanced view of stakeholder perspectives and activities within the charity". Mattocks (1992 p. 78) also argues that:

"The purpose of a charity's report and accounts should serve as a medium between the charity and the public. Donors (potential or otherwise) should be properly informed about the position of a charity. A charity's annual report and accounts are therefore public documents and should not require professional skills to examine them (i.e. those of a professional accountant)."

Palmer & Randall (2002) concur that the trustees' annual report should provide some basic information relating to the charity, its trustees and officers and a concise but comprehensive review of the charity's activities. They conclude that charities must go on improving their reporting to all those who have an interest in the operation of the charity, not just to meet legal requirements, but to ensure that they continue to enjoy public support.

There are a number of recent developments within the regulatory framework that are worth noting here. The Charities Act 2006, based on the 2002 Strategy Unit review *Private Action, Public Benefit*, which was enacted on 9th November 2006 updates the legal definition of charity from 1st April 2008, and introduces a number of regulatory changes that seek to promote more proportionate regulation and give greater protection to trustees. The Act also introduces a new legal form, the Charitable Incorporated Organisation, which enables a registered charity to receive the benefits of incorporation (such as limited liability of trustees) without also having to become a company. This is a significant issue for many voluntary organisations that are subject to a number of different, but overlapping regulatory regimes in accordance with Charity Commission and Companies House requirements.

In 2005, the report of the Better Regulation Taskforce (now the Better Regulation Commission), *Better Regulation for Civil Society*, drew attention to many of the sector's long-standing issues including the need for the Charity Commission to make a clearer distinction between what charities must do and what it thinks they should do; and the increased burden on voluntary organisations arising from the 'quasi-regulation' linked to government funding and contracting (Bolton, 2004). If implemented, the report's recommendations would make a real difference to voluntary organisations (Wainwright et al., 2006).

In this wider context, Rochester (2001) suggests that the changing social policy environment in the UK has been accompanied by increasingly stringent measures to regulate the activities of voluntary organisations in order to minimise the risks inherent in using private bodies, rather than the institutions of the state, to meet social need. Rochester (2001) further explores how those organisations that have become contractors to local authorities are regulated by the terms of contracts as well as subject to inspection, leading to the contract or welfare state evolving into the regulatory state (Day & Klein, 1990; Kumar, 1996). Some authors have suggested that these measures are symptoms of a wider set of social concerns; during the last twenty years of the twentieth century there was a growing conviction that the world in which we live is beset by danger and that it is a major responsibility of government to reduce the many risks to which the population is exposed (Giddens, 1990; Beck, 1992). In this environment, regulations devised to deal with very different concerns may be extended to even the smallest of voluntary organisations, which find themselves caught up in the provision of measures including the Food Safety Act 1990, the Health & Safety at Work Act 1974, and the administration of public entertainment and other licenses. The Charities and Voluntary Organisations Task Force (1994 p. ii) notes that:

“The effect of numerous regulations coming from different sources, and often not designed with the voluntary sector in mind, is particularly damaging, acting as a marked disincentive to thousands of small groups... The danger is that volunteers are beginning to say ‘It’s not worth the hassle’ – a phrase that could be the death-knell of voluntary activity in this country.”

Rochester (2001 p. 77) concludes by raising the fundamental question of whether it is “possible to reconcile the drive to reduce risk in many areas of our collective life with the promotion of spontaneous and informal voluntary action?”

2.4 Constituency (Members, Service Users and Beneficiaries)

The preceding sections have demonstrated how, since the 1970s, the issues of who, where, and how welfare is provided have become increasingly central to debates in social policy in western capitalist societies, due to there being “a major reappraisal of the whole state” (Salamon and Anheier, 1996, p. 1). Over the last two decades there has been a suggestion that the welfare state is unsuited to welfare delivery if the needs of an increasingly diverse society are going to be met, and that voluntary organisations are more apt to fulfil this role through offering opportunities for active

citizenship (Elstub, 2006). This trend continues to gain pace under the New Labour government, informed by its Third Way ideology, in their attempt to achieve democratic renewal and an inclusive social policy through increasing the role of civil society (Giddens, 1998; Harris et al., 2003; Hodgson, 2004; Howlett & Locke, 1999; Rouse & Smith, 1999; Ware & Todd, 2001; Whitfield, 2002).

A principal reason behind the reappraisal of the state has been the perception that it excludes certain 'subordinate' groups in its delivery of social policy (Elstub, 2006). It is thought that universal provision is becoming increasingly unable to take account of differences between social groups and their needs due to "increasing pluralism and consumerism in society and the corresponding reduction of the state as a welfare agency" (Cahill, 1994, p. 183). Furthermore, since the 1980s state welfare provision has perceived users as consumers rather than citizens, and accordingly their participation is sometimes not valued or encouraged. Such considerations have motivated Hadley & Hatch (1981), Hirst (1994) and Cohen & Rogers (1995) to claim that voluntary organisations are a more suitable method for distributing welfare than the state, because they enhance citizen participation and, providing there is sufficient decentralization of power, they enable a greater flexibility in provision that would more sufficiently fulfil the needs of diverse social groups.

Fowler (2000) argues that, if sustainable local impact is to occur, there is a need for quality local participation in interventions. While Fowler acknowledges that change can occur in non-participatory top-down ways, he maintains that there is compelling evidence that sustainability of benefits is positively correlated with people's authentic participation because, by co-defining change, they are more committed to take ownership of the processes needed to bring it about. Finally, Fowler (2000) notes that participation can be looked at from three important perspectives: depth (a measure of stakeholders' influence on decision making), breadth (a measure of the range of stakeholders involved) and timing (the stage of the process at which different stakeholders are engaged). The way in which these three elements are approached and interact determines the intensity of local and wider ownership and commitment:

"Inadequate depth can create frustration, better mobilised opposition, complacency or passive or opportunistic cooperation. Inadequate breadth leads to fragility in local institutional foundations. Change becomes too dependent on a few individuals or power holders and their interests. Inappropriate timing, usually late inclusion of key stakeholders, leads to

perceptions of tokenism, co-optation, disrespect and disempowerment. None of these feelings bodes well for local commitment.”

(Fowler, 2000 p. 22)

Elstub (2006) notes that the current government programmes of user involvement through voluntary organisations have generally resulted in increased citizen consultation, rather than participation. Citizens are therefore used as a source of information, with the decision-making powers being retained by elites and government decision-making remains overly centralized despite the rhetoric of partnership and policy compacts (Langan, 2000; Langan & Clarke, 1994; Rao, 1996; Taylor & Warburton, 2003; Whitfield, 2002) - a feeling expressed by voluntary organisation members in a recent empirical study (Parkes et al., 2004). There is also evidence to suggest that this phenomenon is more pronounced for ‘subordinate’ groups (Clarke, 1998), with government bodies failing to consult organisations representing excluded groups (Craig et al., 2002; Taylor & Warburton, 2003). If sufficient power is not provided to voluntary organisations, participatory governance will not be achieved and democratic accountability of welfare services will not be extended to users (Whitfield, 2002). Deakin (2001 p. 29) describes a situation where “a greater awareness has emerged of the importance of devising proper means of ensuring accountability, not just to funders of services but also to users”.

If delegated powers of welfare provision from the state, voluntary organisations could connect social groups more integrally to the decision-making that precedes provision:

“The fact that such associations are “on the ground” means that they know more about the needs of the intended recipients of those services than do government officials, and the fact that they are integrated into communities and local economies leaves them better equipped to see the connections, for individuals, of different policy initiatives”

(Cohen & Rogers, 1995 p. 60)

Again, a point supported by a recent empirical study on the contribution the voluntary sector makes to democracy from the perspective of voluntary organisation members and national and local government representatives (Parkes et al., 2004). However, this is only the case, if organisations are internally democratic and devolve sufficient power (Elstub, 2006) and despite this potential, some empirical studies suggest that most voluntary organisations do not have such a structure (Taylor, 1996; Fukuyama, 1995). Whereas, the current Labour government appear convinced about the democratic credentials of voluntary organisations (Taylor & Warburton, 2003), Elstub

(1996) suggests that voluntary organisations must develop an internally democratic structure, ensuring user participation. They will otherwise be unable to contribute in addressing the perceived failings of the welfare state, because without such developments, they themselves can be an “impediment” or “irrelevance” to democracy (Parkes et al., 2004, p. 307).

It is worth noting that the evolving interpretation of charity law established more clearly that it was possible for users to be trustees of charities (see Charity Commission, 2000b). It had been widely believed that users, as beneficiaries, were prevented by charity law from acting as trustees, although the Charity Commission had agreed on a case-by-case basis to constitutions providing for some (usually a minority) of trustees to be users. Locke et al. (2001) report that it was not until 1999, however, that the Charity Commission clarified its position and declared there was no bar to users being trustees; the essential issue was for trustees to avoid a conflict of interest. Locke et al. suggest that this not only resolved much confusion that had inhibited some formal user involvement in governance, but could be seen as a more fundamental policy shift in views about user involvement.

However, other developments in the voluntary sector’s operating environment – particularly the tightening of managerial and legal accountability – could be seen to be working against greater user involvement (Harrow & Palmer, 2003). Locke et al. (2001) note that the process of contracting required enhanced professional managerial skills within voluntary organisations, as the consequence of defaulting on a contract were more serious than defaulting on a grant. Taylor & Lewis (1997) also note that the adoption of more business-like approaches in general – not just in relation to contracting – may have militated against the involvement of users. At the same time, this chapter has demonstrated how charity law was tightened with the 1992, 1993 and 2006 Charities Acts, which reinforced the duties and liabilities of trustees, and increased the powers of the Charity Commission in the supervision of charities (Harrow & Palmer, 1998; Morgan, 2007).

2.5 Summary

This chapter has highlighted that, in considering sustainability in a broad sense, it is important to take an *integrating* approach that explains voluntary organisations in their larger contextual and operating environment. This is particularly useful because

organisations exist in social systems where their behaviour is shaped by cultural influences, by a variety of constituencies, and by coercive factors in their environment (Kramer, 2000).

Specifically, the chapter has outlined how the relationship of the State to the voluntary sector is part of a much wider philosophical debate about the role of the State to the individual - “the very nature of the voluntary sector is therefore inextricably linked to how much of a role the state should play” (Palmer & Randall, 2002 p. 16). The chapter then offered an exploration of the increasingly complex mixed economy in which the voluntary sector sits and the variety of regulatory styles that proliferate (Knapp et al., 1990). Finally, the chapter has attempted to illustrate some of the implications these social policy changes have represented for the beneficiaries and service users of voluntary organisations. Underpinning this outline is the assumption that an organisation’s ability to recognise, understand and adapt to changes in their external context is central to its sustainability.

However, as this chapter has highlighted, much of the literature pertaining to the operating context of voluntary organisations focuses at the macro or sector level, without an explicit detailed analysis of the implications for sustainability at a micro or organisational level. Chapter 3 will therefore proceed with a literature-based exploration of the internal systems of voluntary organisations and, importantly, will begin to outline the complex interactions between the internal setting and external context.

3 THE ORGANISATIONAL SETTING

The 1990s saw a shift in thinking in many voluntary organisations, from a need to justify their existence to a concern for effective management practices within a now established sector (Butler and Wilson, 1990). This pressure for management comes not only from the organisations themselves but also from the increasing external pressures that they face such as increased competition for funding, dependence on statutory funding and the resulting 'contract culture' (Leat, 1993). As Osborne (1996, p. 202) points out, there is "the increasing need of voluntary organisations to be seen to manage and to be accountable as they take on an enlarged role in service delivery".

Following the overview of the external environment in which voluntary organisations operate presented in chapter 2, this chapter examines the internal setting of voluntary organisations through an exploration of organisational purpose (mission, vision and values), governance, human resources, funding/financial management, and internal accountability. When discussing management within the voluntary sector, it is important to recognise the unique sectoral characteristics that can complicate the management process (see Tassie et al., 1996; Bryson, 1995; Billis, 1993a; Paton & Cornforth, 1992; Clutterbuck & Dearlove, 1996), especially with regard to the process of change – a central theme within this study. These factors include, but are not limited to, commitment to organisational values, lack of market mechanism, vague, multiple or difficult to measure objectives, chronic resource scarcity, and diverse stakeholder objectives (Kellock Hay et al., 2001). Importantly, this chapter will begin to outline the diversity of an organisation's internal systems and the complex interactions between them - an important backdrop to the discussions surrounding strategy and change in chapter 4.

3.1 Organisational Purpose: Mission, vision and values

The explanatory system (encompassing mission, vision and values) is perhaps the least tangible system of a voluntary organisation, and one that Billis (1996) suggests is rarely given its due weight. Billis (1996) proposes that the explanatory system consists of three levels. At one extreme there are operational explanations, which can be thought of as explicit statements of organisational responses to problems. Second, implicit policies are at a broader level than operational explanations; although they still relate in a general sense to the activities of the organisation, they do not in

isolation offer specific solutions. Third, values lie beneath implicit policies and constitute deeper views about the world that extend far beyond specific organisational boundaries.

An example of interaction between the different levels of explanation is provided by Skinner (1994, cited in Billis, 1996), who traced the way in which the debate over poverty in her organisation is representative of the three levels of explanation. At the operational policies level, there were debates about the balance to be struck between campaigning work, policy and change work, and direct help to individuals. At increasingly deeper levels these debates may reflect implicit views about who should be responsible for poverty, and beliefs about the nature of poverty itself, which go well beyond the boundaries of organisational activity.

Paton (1996) argues that issues about values usually generate strong feelings, involving at best passionate argument and at worst outrage and bitterness. Secondly, he notes that they are inherently prone to escalation, which may happen rapidly and lead to polarisation and irreconcilable differences, expulsions or splits. Paton goes on to recall an instance reported to him by a former Director of Oxfam:

“Some years ago, Oxfam staff, for whom the military were heavily implicated in many of the disasters Oxfam had to tackle, manoeuvred frantically to try to prevent the appointment of a high-ranking army officer to a senior position in the organisation – to the extent even of leaking stories to the press (thereby putting Oxfam’s public reputation, fundraising potential and capacity to save lives, in jeopardy). This instance is interesting because ‘anti-militarism’ was not an explicit organisational commitment; informally, however, many staff evidently feared that such an appointment risked introducing values and assumptions that would compromise the character and commitments of the organisation.”

(Paton, 1996 p. 33)

A further incident, surrounding the dismissal of a Samaritan, was cited in an article of a prominent newspaper (*The Guardian*, April 2004) and highlighted the potential conflict between the different levels of explanation. The Samaritan featured in the article had been dismissed for alerting the police after someone confessed to murdering a young girl. The author (Daphne Robinson), a former volunteer for the charity, explained that although the Samaritans’ rule is silence, “there are times when people feel they must break the rule”; a feeling she had personally experienced during her time as a Samaritan. It is clear that, in some circumstances, there is great potential

for an individual's values to come into conflict with their organisation's explicit operational policies.

Similarly, Gann (1996) holds that growing voluntary organisations have an organic life of their own, which is represented by the systems (policies and procedures) by which they operate; the systems being the outward and visible manifestations of the inner, invisible values. The concept of values presents challenges for managers and staff within voluntary organisations, and the literature attempts to outline the implications for the management and behaviour of voluntary organisations (Mason, 1996; Moore, 2000). Discussions tend to centre on the expectations of (and burden on) managers and staff to maintain the integrity and vitality of its value base (Batsleer, 1995; Mason, 1992).

Commentators within the non-profit accountability movement (Bendell, 2004; Ebrahim, 2003; Unerman & O'Dwyer, 2006), for example, emphasise the relationship between accountability and the mission-based services undertaken by voluntary organisations. Ebrahim (2003) conceptualises accountability as the means through which individuals and organisations are held (externally) to account, and the means by which they take (internal) responsibility for continuously shaping and scrutinising organisational mission, goals, and performance. Here, accountability is inextricably linked to the mission and values of the organisation. Since a voluntary organisation exists to render a public service, its success is generally measured by how well it performs this service and not by its financial performance (Drucker, 1977; Hansmann, 1987; Wolf, 1984; Gray & Bebbington, 2006). Thus, accountability and measures of the performance of voluntary organisations may focus on the mission, and the achievement of mission-based goals and objectives, which typically are non-monetary in nature. Voluntary organisations therefore have an obligation to devote their resources to achieving their stated purpose (Palmer & Randall, 2002; Charity Commission, 2007c).

Indeed, one dimension of sustainability that has and continues to preoccupy voluntary organisations is mobilising resources for their work and for their own existence. Whilst understandable in the current economic climate, the fixation of some organisations, which solely equates obtaining finance with sustainability, is dangerous if an organisation wishes to be viable, autonomous and civic (Fowler, 2000; Wallace & Mordaunt, 2007; Coule, 2007). Resources have the potential to steer organisations

- through their associated priorities, outputs and monitoring requirements - and how organisations raise the resources they need has a strong influence on what an organisation is and what it can be. Fowler (2000) and Palmer & Randall (2002) hold that, from a sustainability perspective, reducing resource vulnerability through the diversification of funding sources is an important task. However, they suggests that voluntary organisations are vulnerable in another way as well; strategic choices in terms of resources have implications beyond their reliability, they affect what the organisation stands for, which equates to a second task of protecting its mission and identity (Gidron et al., 1999; Hailey & James, 2004).

It can be seen from this section of the chapter that, to be effective, voluntary organisations must be able to balance a range of competing pressures from different stakeholders in ways that do not compromise their individual identity and values. Hailey & James (2004 p.347), in a study of non governmental organisation (NGO) leadership, found that successful NGO leaders specifically, had a:

“Striking ability to balance competing demands on their time and energy with their own values and ambitions. They appeared both managerial and value driven. They had clear and ambitious development aspirations, and an ability to understand and work with what resources they had and the volatile environment in which they found themselves.”

Such ‘development leaders’ appear to have a chameleon-like ability to adapt to different roles, styles or organisational needs (Hailey, 2002). They have the ability to combine ideals and values with analysis, technical expertise, and professionalism whilst still being able to communicate a vision and motivate a range of staff, stakeholders and beneficiaries (Hailey & James 2004).

Ultimately, a critical attribute of voluntary sector leaders and their organisations is the ability to balance competing pressures, yet maintain an integrity based on strong values and deep-rooted contacts with the communities with which they work. This is likely to involve adopting coping strategies that are operationally effective and incorporate their own values and aspirations in order to balance a range of pressures, and the demands of different stakeholders, without losing their identity (Welleford & Dudley, 2000). The links between the explanatory and other internal systems of an organisation will continue to be highlighted and the implications discussed throughout this chapter.

3.2 Governance

There is a growing body of literature devoted to the role of governance and trustees in voluntary organisations (Harris 1991; Quint, 1994; Hind, 1995; Harrow & Palmer, 1998; Mole, 2003; Charity Commission 2007b), and this is often seen as a major problem area (Harris, 1993a; Mordaunt, 2002; Gibelman & Gelman, 2004). A prominent researcher in this field, Harris (1996 p. 149) writes:

“...I recall the shock I felt at the end of a research interview with a respected senior manager of a national voluntary agency; having answered all her questions with great seriousness, she grinned as I turned to leave and said, “lets face it – management committees are really bullshit”.

It is quite possible that members of trustee boards can be unaware of the functions allocated to them in official statements and in law (Ford, 1992). In the early 1990s the NCVO and the Charity Commission established a working party on trustee training, and the research for the subsequent report, *On Trust* (NCVO, 1992), found that many trustees were unaware that they *were* trustees. Indeed, the report suggested, “some trustees were apparently comfortably unaware of their individual responsibilities” (Harrow & Palmer, 1998 p.173). More recently, Mordaunt (2002), in a paper examining organisational failure, suggests that ignorance does seem to be a key factor in organisational demise, and that many failures result from trustees’ lack of awareness of, or failure to understand their responsibilities as board members.

Meyer & Rowan (1991) further argue that trustees may also assume that the functions officially allocated to the governing body are no more than a ceremonial conformity; that the board members will never, in practice, be called upon to implement them (Harris, 1989). In many voluntary organisations, particularly those with paid staff, those which are members of a strong national body, or those which have long enjoyed secure funding, the importance of the functions may not be apparent on a daily basis. It becomes apparent only when a crisis occurs such as a threat to funding, financial mismanagement, resignation of the chief executive, a shift in public policy, or a major failure in the quality of service (Billis 1996; Collins, 1993; Humphrey, 1991; Mordaunt, 2002). In an analysis of patterns of wrongdoing in voluntary organisations, Gibelman & Gelman (2004) point to a clear problem of governance within their narrative. Symptoms of governance failures suggested in the cases examined include failure to supervise operations, improper delegation of authority, neglect of assets, failure to ask the right questions, lack of oversight of the CEO, failure to institute

internal controls, absence of checks and balances in procedures and practices, and isolation of board members from staff, programs, and clients. Gibelman & Gelman (2004) argue that unless the underlying conditions that permit such systemic failures are addressed, fresh scandals will fill our daily newspapers and public trust in voluntary organisations will further erode.

The expressed dissatisfaction with the performance of trustee boards have resulted in some influential commentators arguing for clearer role prescriptions for governing bodies and appropriate training to raise awareness of responsibilities (NCVO, 1992; Office for Public Management, 2006). Suggestions have also been made that paying board members, as in the commercial sector, would be an incentive to more effective performance (Cornwell, 1993; Baker Tilly, 2007). At the other extreme is the viewpoint included in Knight's vision for the future of the 'new' voluntary sector in the age of contracting:

"It would be possible to dismantle the voluntary management boards of many charities that appear... to be much more trouble than they are worth... the notion of voluntary boards appears to be flawed, and it would be better to scrap them."

(Knight, 1993 p.303)

Between the extremes of the training and abolition arguments, a pragmatic response to the perceived inadequacies of trustee boards has developed; one which marginalises trustees and excludes them in practice from meaningful participation in major decisions. Harris (1989 p. 319) argues that:

"A self-fulfilling cycle is set up in which staff do not share information with their governing bodies, who then lack the means to participate in debate or understand the agencies work. Staff take this as confirmation that there is no point in sharing information with their governing bodies and the cycle of governing body exclusion is reinforced."

The pragmatic response may be gaining ground at present, driven by staff professionalism and the impact of negotiating for contracts (Billis, 1993b). In an exploratory study of the impact of contracting on local governing bodies, Harris (1993b) found that voluntary sector staff argued that contract negotiations should be conducted directly between themselves and their statutory counterparts, by-passing trustee boards who were seen as unable or unwilling to appreciate the issues and the opportunities. In some cases, statutory sector staff were actively encouraging voluntary sector staff in this (Harris, 1996).

Since the voluntary sector encompasses a mixed bag of organisations ranging from community associations and self-help groups to large national charities, generalisations about trustee boards are inevitably open to challenge. All the same, the accumulation of negative statements about trustee boards suggests that questions about the broad principles underlying their role cannot be avoided. These principles and their interconnectedness with the other internal organisational systems presented in this chapter will now be explored briefly.

Five key functions can be seen to be commonly prescribed for voluntary trustee boards (Harris, 1989; Harris, 1993a; Widmer, 1993). Firstly, the trustees are expected to be the point of final accountability for a voluntary organisation (Leat, 1988 & 1996; Charity Commission 2007b). External groups, including funders, donors, clients, purchasers of services, journalists, and regulatory authorities such as the Charity Commission, look to the trustee board to answer for the organisation's conduct.

A second function, being the employer, is closely linked to the accountability function. As the employer of any paid staff, the board may be involved in performing a range of tasks including hiring and firing, discipline, monitoring of work, promotion and payment. Although trustees can delegate many of these tasks, for day-to-day purposes, to senior staff, trustees must retain ultimate responsibility for running the charity (Charity Commission 2007c), including the conduct of staff. In voluntary organisations in which volunteers are involved in direct service provision, the trustee board often carries an employer equivalent function in relation to those volunteers (Harris, 1996).

A third function, and one to which great importance is attached in the prescriptive and descriptive literature on the role of trustees (Carver, 1990; Cornforth, 2003; Governance Hub, 2005; Governance Hub, 2007), is the formulation of policy; determining how the mission, purposes and goals of the voluntary organisation are set and, if appropriate, changing them in response to new circumstances (Bryson, 1988; Buse 1993). Carrying out the policy function may involve the trustee board setting priorities, developing plans and monitoring outcomes.

A fourth function is to secure and safeguard necessary resources. Trustees' responsibilities here are twofold. Firstly, they have a duty to ensure the organisation is and will remain solvent, and to ensure any fundraising activity carried out by, or on

behalf, of the organisation is properly undertaken and funds collected are properly accounted for (Charity Commission, 2007c). Secondly, once resources have been secured, the trustee board must ensure they are effectively managed, particularly in relation to; ensuring the preparation of annual returns and accounts as required by law; ensuring charitable funds and assets are used reasonably and in furtherance of the charity's objects, and; avoiding undue risk (Charity Commission, 2007c). The activity a charity can actually undertake to advance its objects is usually constrained by the income it can generate (Morgan, 2002b). Responsibility for the continuity of a voluntary organisation is thus placed with its trustees; their aim is to make the organisation more sustainable and fit for purpose (Governance Hub, 2007).

Finally, the trustee board is expected to provide a link and a buffer between a voluntary organisation and its environment, a function referred to in North American literature as 'boundary spanning' (Harlan & Saidel, 1993; Abzug & Galaskiewicz, 2001). On the one hand, trustees are expected to represent the organisation's activities and policies to the outside world. On the other, they are expected to bring in knowledge, pressures, and opinions from the outside world. By occupying this position at the interface between an organisation and its environment, it is thought that trustees can not only help their organisations to remain aware of need and demand in their field, but also to act as a mechanism that organisations can use to deal with uncertainties in their external world (Middleton, 1987).

Not all trustee boards undertake all five of these functions. However, many of these functions are already or are becoming a matter of law. The five functions are not necessarily distinguished in this way in formal documents and training. Indeed, there is some overlap – both conceptually and practically, between the functions. The argument at this stage, then, is not that these five functions are necessarily distinct in theory or practice, but that they can be seen as the principles underlying the official or public statements about the role of trustees. They constitute, in effect, the case for voluntary trustee boards. This is a case which has been heard well beyond voluntary organisations themselves; the assumption that trustees perform these functions lies behind much of the rhetoric about active citizenship (Kearns, 1992) and about the important contribution made by trustees to meeting society's needs (Prime Minister's Office, 1991). Comparing these five manifest functions of governing bodies with the dissatisfactions about their performance presented earlier, it seems that much of the

disillusion is rooted in perceptions that, in practice, many trustee boards do not perform the functions officially prescribed for them, or do so in an inadequate fashion (Bradshaw, Murray and Wolpin, 1992; Brophy, 1994; Mordaunt, 2002; Gibelman & Gelman, 2004).

3.3 Human Resources

Within the generic literature it is argued that there is a crisis facing the management of human resources in organisations of all kinds with staff turnover increasing, loyalty declining, and stress levels rising (Dunphy and Griffith, 1998; Pears, 1998; Sennet, 1998). As Pears (1998 p.1) states:

“Managers confront the challenge of aligning the interests and needs of their organisation with those of their most valuable resource, their staff, so that organisational success can be achieved and maintained”.

They see this challenge as human resource sustainability, which requires a shift in focus from short-term survival to long-term success. This involves changes in structures, operation, priorities and values that organisations promote, with a clear focus on the context within which an organisation operates being a fundamental requirement for long-term success (Pears, 1998).

The recruitment and retention of staff is very much at the top of the voluntary sector agenda (Dowson, et al., 2000). The rapid expansion of the sector in the 1990s has seen organisations grow quicker than the human resource infrastructure and competition for suitably skilled workers is a significant threat. An increase in employment across all sectors has added to problems of recruitment and retention with half of all voluntary organisations facing problems recruiting the right staff, according to a survey by Remuneration Economics in association with NCVO (NCVO & Remuneration Economics, 2002). A majority of organisations cited inexperienced applicants or a lack of qualified applicants as being problems in recruiting staff. Low salary levels and a shortage of skilled staff were also among the reasons cited by organisations for the recruitment difficulties.

In addition, staff turnover in the voluntary sector is considerably higher than for the UK economy as a whole; a 2002 survey of national charities showed a 20% yearly staff turnover (Schacklady, 2002) and a similar figure of 21% was reported in *People Count 2005* (Agenda Consulting, 2005) compared to 15% for the UK economy. A

similar trend is evident in relation to the average length of service in voluntary organisations – 33 months in comparison to 55 months for the UK economy as a whole (Agenda Consulting, 2005). Whilst this can partly be explained by an industry dominated by short-term contracts, projects and funding, the survey has alerted the sector to weaknesses in its human resource management. Specifically, Agenda Consulting (2005) suggests:

- only 20% of voluntary organisations operate a structured approach to career planning, leaving many employees with a lack of clarity about what future roles may be available and how they can progress their careers;
- many organisations do not appear to have a good understanding of what their staff need from their employer to create a fulfilling work experience;
- three quarters of voluntary organisations invest less in training and development than the UK average.

Burnell (2001) argues that managing people in the voluntary sector is particularly complex because, unlike in other sectors, voluntary sector managers deal with at least two additional factors: the involvement of volunteers and their interaction with paid staff, and the altruism of those paid staff, whose dedication to the cause is often tested by their status as relatively poorly paid employees. In short, he suggests that a strategic, long-term approach to the management of the human resource will be far more effective than a reactive and haphazard approach that reflects an organisation's growth pattern.

However, Gann (1996) suggests many workers in small locally based organisations do not have the basic requirements of terms and conditions, job descriptions and line management responsibilities. Moreover, he suggests that personnel support systems such as appraisal are even rarer. This is of considerable concern given that line managers are seen as essential to the effective delivery of human resource management policies: conducting team briefings, holding performance appraisal interviews, target-setting, managing performance related pay and so on (Gann, 1996). Burnell (2001) purports that this position can be even more difficult for Chief Executives, who not only have to contend with the legitimate demands of their staff to be nurtured, but who often do not enjoy professional managerial support themselves. Thus, the very informality and resistance to bureaucracy that are often seen as among the most attractive characteristics of the voluntary sector can bring about an absence

of formal support mechanisms for both paid and volunteer staff (Gann, 1996; Burnell, 2001).

Many voluntary organisations operate in an environment that suffers from a high degree of dependency on and vulnerability to the dynamic of the context (Fowler, 2000). Hafsi & Thomas (2005) purport that strategic management in high dependency situations requires a continual attention to the organisation's relationships and interactions with the forces in its environment, and a continuous attention to the process by which change takes place.

Wilhelmson & Döös (2002) assert that it is natural and human to change, and that the process of adaptation is a basic condition for human life (Piaget, 1970). At the organisational level, there are small changes continually going on in and about daily activities and the conditions under which they are performed (Wilhelmson & Döös, 2002). On the other, there are organisational changes of a very different nature; the large scale ones, which are seen as revolutionary, and mostly coming from up above or from the external environment. Participatory strategies for change have commonly been linked to employee empowerment (Wilhelmson & Döös, 2002). Empowerment is defined as existing in an organisation when:

“Lower level employees feel that they are expected to exercise initiative in good faith on behalf of the mission even if it goes outside the bounds of their normal responsibilities; and if their initiative should lead to a mistake – even a serious one – they trust that they will not be arbitrarily penalized for having taken that initiative.”

(Appelbaum et al., 1999 p. 242)

In considering change and human resource management in a voluntary sector context, Kellock Hay et al. (2001) suggest that insufficient attention paid to key human resource management issues such as communication and involvement strategies, training, and, job design and reporting structures can undermine the process of change management. Within the generic literature, Gollan (2003) suggests that, to be successful, organisations need a ‘people vision’ that supports the vision of the business; it is not enough having a business strategy and then bolting a human resource onto it (Delany, 2001). Human resource sustainability requires the organisation to recognise and place value on human capabilities, and this entails taking a more generic and integrated approach to people management. It is based on pursuing an integrated strategy in which employees are embedded into all aspects of the organisation's planning and implementation processes (Gollan & Davis, 1997).

The complexity of this process may be exacerbated by the nature of many voluntary sector organisations. For example, the current operating environment of many local voluntary organisations can often necessitate the permanent employment of only a small number of core staff, with the majority of employees being project funded on a short-term basis (Gann, 1996). Some commentators have suggested that this may carry implications for commitment to values, which the voluntary sector has claimed as its own speciality, as commitment is developed to the service/project rather than to the organisation, and to the line manager rather than to the organisational hierarchy (Gann, 1996; Alatrasta & Arrowsmith, 2004). This in turn may affect the process of induction, initial and in-service training, and communication of the overall mission. Indeed, Noon (1992) concurs within the generic literature that employees may resent the discord created between commitment to the task (encouraged by the individually-based performance management mechanisms) and commitment to the company (encouraged through the rhetoric of culture and the rewards of promotion and employment security).

It is also important to note that missions and priorities within missions do change, and among a growing staff focus can shift or be lost, both intentionally and otherwise. When change is unplanned, un-negotiated or unmanaged, the subsequent tensions can cause resentment. There is now a plethora of mainstream literature maintaining that commitment is a complex phenomenon and is not something that can be easily generated or sustained (Allen & Meyer, 1990; Goss, 1994; Bansal et al., 2004). It is clear then, that voluntary organisations must look beyond the legal and practical basics of the employment contract in order to secure staffs' ownership and commitment, and to make their aspirations compatible with organisational objectives (Burnell, 2001).

Evidence suggests that paid staff in the voluntary sector are relatively well educated (Wainwright et al., 2006). However, whilst many voluntary organisations claim to invest in their staff (NVCO, 2002), recent research shows that skills deficiencies continue to limit the effectiveness of the sector and there appears to be a lack of a training culture (Wainwright et al., 2006). In addition, Burnell (2001) has argued that investment is not enough in itself, suggesting that all training should be done within the context of an organisational development plan. Specifically he suggests that giving staff training and skills they do not use within the organisation could be

perceived as a waste of charitable funds. In addition, staff will often not understand the point of the training, except as a piece of personal development, and it will not help towards securing their commitment to the future of the organisation. Ultimately, Burnell (2001) argues that, if an organisation is going to develop its staff, it needs to do so in pursuit of its organisational objectives. He offers the following distinction: “to offer them [staff] new skills and learning for their own sakes, to meet their agenda, is *education*; to develop them to meet your needs is *training*” (Burnell, 2001 p. 184). The expectations of government, donors and other funders, together with new legislation and the importance of partnership working, are likely to represent increasing pressures for high levels of knowledge, skill and performance from voluntary sector workers (VSNT0, 2001).

It is worth noting, however, that whilst the majority of voluntary sector specific discourse continues to focus on the training agenda (Burnell, 2001; Wainwright et al., 2006), the late 1990s saw a shift in much of the mainstream human resource development literature, which became characterised by the language of learning and development (Garvey & Wialliamson, 2002; Harrison, 2000a & 2000b). The focus here is on knowledge and skills for innovation and creativity, ultimately adding value to organisations through learning. The implication is that organisations must take a lead role in the development and management of knowledge as well as of learning (Harrison, 2002). Ultimately, Harrison (2002 p. xii) suggests that the most powerful strategic outcomes of such an approach to human resource development include “enhanced organisational effectiveness, adaptability and sustainability”.

3.4 Funding and Financial Management

It is important to place discussions of funding and financial management within the wider environment in which voluntary organisations operate (Lehman, 1992; Mordaunt & Paton, 2007). One aspect of this approach would be an analysis of power and independence of voluntary organisations to state policy. As a starting point, an organisation would appraise their portfolio of income sources in terms of the independence of the funding stream (Palmer & Randall, 2002). For example, charitable donations from the public would imply a degree of independence from government. But, are donations also subject to the perception of the organisation by the public?

As highlighted in chapter two, understanding the operating context, including the policy environment and the implications for funding and accountability is vitally important in being able to contribute to financial planning and forecasting (Palmer & Randall, 2002). Independence is more complex than simply not taking government funding (Whelan, 1999). Voluntary organisations with a portfolio of different income sources in contracts may have a degree of independence of action and decision making that many supposedly independent organisations with no government funds, but who are instead subject to the mood of the public, would envy.

Indeed, Mayo (1999 p.5) states “trust in charities is at an all time low”. A MORI poll for the Charity Commission (1999) found that three quarters of the general public surveyed agreed that there needs to be tighter control over the laws governing charity affairs. In the same survey 41% disagreed with the statement ‘when I give money to charity I feel confident that most will go to the cause’. Rather than the public placing their unconditional trust in such organisations, they are looking for information to show that they can have confidence in them (Tonkiss and Passey, 1999; Harrow & Douthwaite, 2007). Public trust and confidence in voluntary organisations could be threatened if there is a perception that their independence is declining. Retaining the ability to lobby against government is one way of portraying to people that organisations are retaining their right to campaign to further their aims. Palmer & Randall (2002) maintain that voluntary sector organisations must become increasingly aware of the need for accountability of their financial activities in addition to their operational ones.

It was noted earlier in the chapter that strategic choices in terms of resources have implications beyond their reliability, they affect what the organisation stands for; the profile of resources employed co-determines organisational identity (Fowler, 2000). It is therefore important that organisations understand the trade-offs implied when choosing which resources to mobilise and how (Hudson 1999; Brewster, 2007). Fowler (2000 pp. 61-62) provides a useful conceptualisation of such tradeoffs, which are summarised in table 2:

Table 2: Trade-offs in resource mobilisation

<i>Vulnerability</i>	An organisation's ability to suffer costs imposed by external events; highly vulnerable organisations are unable to cope, invulnerable are unaffected
<i>Sensitivity</i>	The degree and speed at which changes in a resource impact on the organisation; low sensitivity means that external changes do not cause immediate severe disruption, high sensitivity means that they do.
<i>Criticality</i>	The probability that an existing resource can be replaced by another for the same function; highly critical resources (such as core support) cannot be easily replaced, resources with low criticality can.
<i>Consistency</i>	An ability to alter a resource profile without compromising mission and identity; high consistency resources mean that an organisation is less forced to compromise than it must do if it is to gain access to low consistency resources.
<i>Autonomy</i>	The degree to which the resource affects the ability to say no when it is needed. Turning away or not pursuing available resources is not easy but it should always be possible. If it is not, an organisations decision making is effectively enslaved to the dictates of others. Hence autonomy is reflected in an organisation's freedom in decision making about resources it wishes to access and the outputs and social value it will provide.
<i>Compatibility</i>	The degree of similarity between new and existing resources that call for minor to major modification to the organisation's processes, structure and functioning.

Source: Fowler (2000)

To summarise, a voluntary organisation with a resource profile characterised by low vulnerability, low sensitivity, low criticality, high consistency, substantial autonomy and high compatibility is likely to be more agile and adaptive than an organisation with the opposite profile. Fowler (2000) notes that achieving this condition has a lot to do with reputation, learning, leadership, a secure identity and self-awareness. That said, it is highly unlikely that a single option for resource mobilisation presents itself as 'the' answer. Indeed, if a guiding principle for sustainability is resource diversification, then organisations will inevitably need to come up with complex strategies employing multiple options.

The board of trustees of a voluntary organisation has a key role in this regard. Clearly, organisations funded by a mixture of donations, grants and contracts are more complicated to govern than those that are primarily dependent on one source (Hudson, 1999; Brewster, 2007). In addition, the financial management function of the board is more than just ensuring there is sufficient cash and keeping to budget (Palmer & Randall, 2002). A key issue for trustees in this respect is the approval of

the charity's annual accounts against the Statement of Recommended Practice (Morgan, 2002b) discussed in chapter two. Wise (1998) states that effective financial management involves: setting financial objectives; planning and acquiring funds; ensuring funds are effectively managed; management and financial accounting; formulating strategy; planning and controlling activities; decision taking; optimising use of resources; disclosure to others external to the organisation and to employees, and; safeguarding assets.

The implication is that trustees must think strategically as well as focusing on the internal working of the organisation (Palmer & Randall, 2002; Mordaunt & Paton, 2007). Organisations which are successful in retaining their core values and aims, whilst embracing new priorities and constraints, will achieve a more skilled and reflective level of practice which is capable of providing effective services *and* effecting change in line with their mission (Badham & Eadie, 2002).

3.5 Internal Accountability

A number of key players in humanitarian assistance and a number of voluntary organisations are recognising the importance of internal accountability (Davidson, 1997). However, the internal accountability system (which defines or governs the relationship within and between other organisational systems) of voluntary organisations is complex (Leat, 1988) and internal tensions are a familiar feature (Billis, 1996). Difficulties surrounding accountability can often be prevalent for voluntary sector employees. The typical structure of some voluntary organisations may create special problems in making accountability meaningful. Accountability of staff to unpaid, part-time volunteer trustees can be riddled with difficulties (Charity Commission, 2003; Mole, 2003). This raises issues of where, in practice, the dividing line between governance and management is (Hudson, 1999). There are practical difficulties arising from the fact that board members usually have limited time to give to the organisation and board meetings are infrequent; meanwhile work must go on, managers must make decisions and offer an account later (Leat 1996).

Volunteer involving organisations may experience further difficulties concerning accountability. For example, Young (1987) argues that the presence of volunteers within an organisation may create tensions in relation to the accountability of paid staff. Two standards and systems of accountability may be required, but may cause

confusion and resentment. A particular challenge can be reconciling the perspectives of paid staff and volunteers (Kellock Hay et al., 2001). Harris (2001), for example, has pointed out that organisational growth can lead to the marginalisation or replacement of volunteers by/with paid staff and a move away from the traditionally pluralist approaches of management within voluntary organisations towards a more unitary perspective. As a general rule, it may seem reasonable to suppose that accountability problems between volunteers and staff, different members of staff, as well as board and staff, will increase the larger the size of the organisation, the greater the number and diversity of professional staff, and the more diverse the range and scope of activities (Leat, 1996; Charity Commission, 2003).

Gonella et al. (1998) argues that there are three main drivers of accountability: external pressure, internal strategy and values. He further suggests that it is often external pressure that puts accountability onto an organisation's agenda and notes that there are certain dangers to this approach. In particular when looking at external and internal accountability:

“It is arguable that the one does not imply the other: furthermore, demands for greater external accountability may in practice create problems and tensions in internal accountability”

(Leat, 1996 p. 65)

Thus, it is important to understand the internal relationships of the various actors within the system as well as the influences from outside. The studies of the way in which trustee boards interact with paid and volunteer staff (Harris, 1993a) suggest that the board's role is not susceptible to implementation in isolation from other organisational roles; rather the role is better understood as being contingent (Kramer, 1985) and interdependent with the role of staff (Harris, 1989; Herman, 1989; Mole, 2003). The relationship between paid staff and trustees is an important factor in the success of an organisation; Palmer & Randall (2002) note that a seemingly simple question of who is responsible for authorising an element of expenditure can sometimes be fraught with difficulties and can lead to internal strife, which only damages the organisation. Thus, a significant volume of the accumulating body of research on trustee boards focuses on the power relationships established within and between trustee boards and other key groupings (Kramer, 1985; Harris, 1989; Murray, 1992; Mole, 2003). It has been suggested that the ability of voluntary governing bodies to carry out their functions may be affected by the power which they are able

to exercise in relation to other key groupings in their organisation (Harris, 1996). These groupings are: staff (paid and/or voluntary); clients (beneficiaries); and the 'guardians' of the agency (those who have a positive concern for the long term survival of the organisation and its purposes (including founders, funders, former members, or former clients). Raynard (2000) also points out that these external and internal relationships can constrain or enable individual organisations in achieving their goals.

Specifically, Pettigrew & McNulty (1998 p. 206) argue, "There can be a power struggle at the interface between the board and the chief executive". The board may be relatively isolated from the organisation and will then rely heavily on staff and, in particular, the chief executive to represent the organisation to them (Charity Commission, 2003). This can mean that a board that lacks experience of and knowledge about the sector (industry wisdom) may end up largely uncritical of what is reported to them; the 'approving board' in other words (Murray et al, 1992). Some chief executives seem to favour this governing body form as it can leave them free to manage the organisation without what they may view as interference (Mole, 2003). Carver (1997 p. 21) suggests that:

"...Most voluntary agency chief executives expect, as part of their job obligation, to 'stage manage' board meetings so their boards will not wonder aimlessly or go out of control and that such a game of manipulation carries a cost that the fragile balance of leadership can ill afford."

A further consequence of the contingent nature of the governing body role is that the enthusiasm and competence with which the role is performed can change frequently (Harris, 1996). The relationship between governing bodies and staff, and particularly the relationship between the voluntary chair person and the chief executive, is by nature dynamic; open to constant negotiation and renegotiation (Conrad & Glenn, 1983; Harris, 1993a; Middleton, 1987; Mole, 2003). The relationship can change not only as different persons with different organisational perceptions occupy the roles, but also in response to shifting environmental influences (Alexander, Fennell & Halpern, 1993).

In these circumstances, the chances are increased that governing bodies, at least from time to time in an organisation's history, will fail to understand or execute functions which are expected of them. A constructive working relationship between the chair and the chief executive is therefore essential. The relationship is the critical link

between management by the staff and governance by the board (Mole, 2003). A strong link ensures that both the governing body and the staff can be provided with effective leadership. A weak link leads to growing confusion over the distinctive roles of the staff and the governing body (Hudson, 1999). Indeed, Raynard (2000 p. 7) suggests that accountability can “fall at the first hurdle if there is a lack of clarity in roles and responsibilities, or the attribution of them.” He suggests clear boundaries that make apparent who is responsible for what, but also importantly to whom, are fundamental in addressing this problem of diffused responsibilities.

Raynard (2000) notes that, for accountability to be taken seriously, it needs to be seen to have strategic value in making the organisation more effective. However, any strategic commitment to accountability is only as good as the ability of the individuals (at all levels) within the organisation to put it into practice; Raynard (2000) argues that accountability therefore needs to be embedded in the governance and management of organisations.

3.6 Summary

This chapter has highlighted the internal complexity and dynamic nature of voluntary organisations and the interconnectedness of their systems. The chapter has discussed some of the challenges facing organisations in staying true to their mission and values, highlighted the way strategic choices in resource mobilisation affect what an organisation is and what it can be, and presented the challenges this represents for the governance and human resource systems.

Ultimately, values inevitably permeate the systems and working practices of organisations. Paton (1996) notes that the core values of an organisation are necessarily ambiguous in the sense that reasonable people can disagree over their precise implications in many situations. He suggests that the inevitability of values issues arising means that they cannot be seen as:

“Embarrassing aberrations or a sign of management failure... values issues may be more or less successfully handled, but they cannot be avoided – except, perhaps, by having less thoughtful and committed staff and volunteers.”

(Paton, 1996 p. 40)

Finally, the chapter culminated in a discussion of internal accountability, which has emerged as an underpinning theme throughout the chapter. It has been noted for

example, that in voluntary organisations, the responsibility for policy-making and the overall conduct of the organisation remains with unpaid volunteer trustees, and with the separation of policy-making and implementation, issues of accountability for appropriate or adequate implementation arise. Furthermore, if workers are employed to implement policy, then the issue of employee-employer accountability is introduced. Although a number of significant commentators are beginning explicitly to recognise the governance system of voluntary organisations as playing an essential role in sustainability (see NCVO, 2007; Charity Commission, 2003), literature exploring the relationship between the governance and human resource systems has tended to focus on the relationship between the chief executive and chair (see Carver, 1997; Pettigrew & McNulty, 1998; Charity Commission, 2003; Mole, 2003) or trustee board and senior management (Cornforth & Edwards, 1998). The author will argue in later chapters that the relationship between the trustee board and wider staff team should be given greater consideration, particularly when developing strategies for sustainability. These wider issues have important implications for strategy development and are explored further in chapter 4 through a review of some of the core debates surrounding strategy and change.

4 ORGANISATIONAL CHANGE IN THE VOLUNTARY SECTOR

In seeking to explore the appropriateness of existing voluntary sector models of organisational change for the study of sustainability, and the relationship between strategy and change, this chapter draws from two main streams of literature for its conceptual framework. First, it focuses on the topic of change through the presentation and critique of two prominent models of organisational change specifically developed within a voluntary sector context. Second, the chapter then considers the role of strategy in organisational change by exploring a number of different schools of thought, with a particular focus on contrasting reductionist and systemic approaches.

Therefore, to illustrate issues of change within the voluntary sector, this chapter will review both the key mainstream change management and strategy literature and the very limited literature specific to the voluntary sector (Kellock Hay et al., 2001). Ultimately, the chapter aims to highlight the implications of different approaches to strategy and change in a voluntary sector context.

4.1 Previous Studies of Organisational Change in the Voluntary Sector

Organisational change has become a major research topic often linked to both survival (Billis, 1996) and sustainability (Wilhelmson & Döös, 2002) and is a constant feature of organisations in the voluntary sector. Many voluntary organisations operate in an environment that suffers from a high degree of dependency on and vulnerability to the dynamic of the context – “they control a little, influence a few bigger things, but can only appreciate most factors shaping their operational environment” (Fowler, 2000 p. 7). Thus, voluntary organisations are dependent actors in constantly changing environments. Consequently, the core of system strategies is an approach that enhances “insightful agility” (Fowler, 2000 p.16). That is the ability to recognise, understand and adapt – in sustainably orientated ways – to changes which determine the specific context. However, Handy (1988, p.140) argues that most organisations change only when:

“...They are very frightened, when the costs of no change vastly exceed the risks, which is often too late, and even then new people usually have to be brought in to make the change. Small wonder that many organisations can end up... preferring to turn a deaf ear to the new noises in their environment.”

Moreover, Handy suggests that it is only when an organisation acquires an understanding of change that it will be able, not only to adapt and survive in a world that is always changing, but more importantly will keep its destiny in its own hands and “contribute to a better future” (p.141).

In as complex and unpredictable a world as the voluntary sector, it can be argued that the very act of survival is in itself a major achievement. However, voluntary sector commentators have argued that many approaches to change (particularly those imported from the for-profit sector) lack a focus on the specific capacities of non-profit organisations (Parsons & Broadbridge, 2004). For example, Salipante & Golden-Biddle (1995 p. 18) emphasise the importance of “mission, core expertise, and the long-term frame of non-profit organisations” in developing an approach to change. They further argue, with respect to organisational change, that:

“Fundamental differences between the sectors in markets, authority structures, accountability, and numerous other factors make it unwise for nonprofit leaders to wholeheartedly adopt for-profit practices of strategic planning”

(Salipante & Golden-Biddle, 1995 p. 4)

Additionally, the most common approach within much of the dedicated voluntary sector literature is to provide a self-help textbook that enables voluntary sector workers and managers to understand voluntary organisations and make them function more effectively (Handy, 1988). This approach usually involves employing key lessons from organisational theory to teach practitioners how to improve their practice. Throughout, there is an assumption that if the theories are put into practice, voluntary organisations will be able to prosper and grow (Jackson & Donovan, 1999; Hudson, 1999, 2003; Gann, 1996).

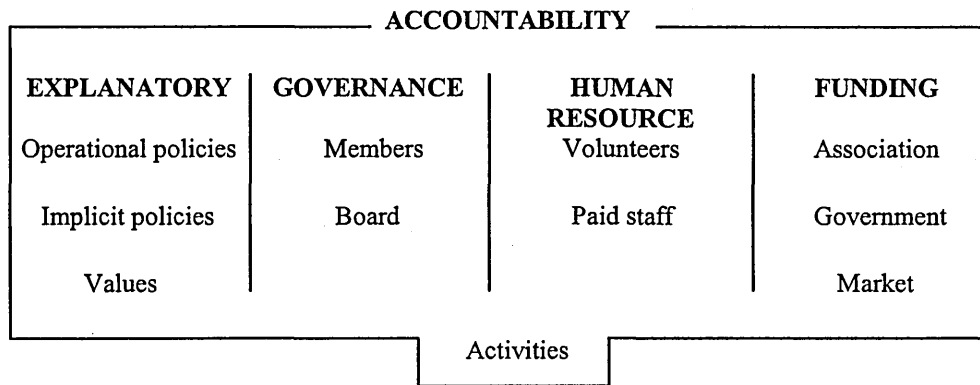
In addition, the few commentators who have focused more holistically on the characteristics that enable organisations to adapt to change have presented retrospective models of how certain organisations were successful in surviving organisational change, rather than emphasising the ways in which organisations can be proactive in developing strategies for change. Two such models are explored and critiqued in further detail below.

4.1.1 The Billis model: a five systems approach to change and survival

In seeking to address the neglected topic of organisational change in the voluntary sector, one leading commentator (Billis, 1996) has developed a five system model

based on case study research in the United Kingdom and United States. The model identifies five major systems - explanatory, governance, human resource, funding and internal accountability - and proposes that organisational change and survival depend on compatibility within and between these systems (see figure 1).

Figure 1: Billis' five system model of organisational change



Source: Billis (1996) p.225

Billis argues that organisations can usually be considered to be in a state of 'dynamic equilibrium' – a state in which the internal components of the five systems are continually changing and adjusting to each other without either changing the core mission or resulting in a crisis. However, imbalance within and between the systems leads to a situation in which organisational survival is questioned – the state of dynamic equilibrium tips over to a state of crisis. Billis follows Weitzel and Jonsson's (1989, p. 105) definition of crisis, which suggests that at a state of crisis stakeholders "begin to dissolve or restrict their relationship with the organisation".

To illustrate a state of crisis, Billis describes the example of an American welfare organisation moving towards a merger driven by several influential private sector Chief Executive Officers on the trustee Board. He then undertakes further analysis, employing the five-systems model, to reveal the extent and depth of the tensions. In summary, despite a healthy financial position, tensions developed between the organisation's mission (explanatory system), a group of new Board members (governance system) and staff (human resource system) which brought the organisation into crisis.

In developing and presenting this model, Billis is explicit in his intention to focus on internal factors capable of control by voluntary organisations themselves. As such, he

proposes that organisational change and survival in voluntary organisations can be explained by examining the way in which the five systems interact. Although Billis recognises that the environment can permeate and influence any of the systems, he assumes that together they form one larger closed system. This assumption is evident in the way Billis (1996) critiques the generic literature on organisational change for being too “deterministic” and conceptualising change as being “outside the control of organisational actors” (p.223) and goes on to present a different approach, demonstrating his belief that an understanding of the nature of social institutions can facilitate “enacted change” (see Rowbottom, 1977 p.21).

Whilst ‘planned change’ (Bennis, Benne & Chin, 1970) can and does occur in organisational settings, the dependent nature of many voluntary organisations makes it very difficult to dismiss the influential resource dependency, contingency and allied theories (Aldrich, 1976; Pfeffer & Salancik, 1978; McCarthy and Zald, 1977; Thompson, 1967) which suggest that organisations respond to those groups that control resources or environmental factors. Since Thompson’s (1967) groundbreaking work proposing that technologies and environments are major sources of uncertainty for organisations, contingency theory propositions linking technological and environmental uncertainty to organisational change have been verified in a variety of settings (Venkatraman & Prescott, 1990). Pfeffer & Salancik (1978) go on to emphasise the art of reducing the organisation’s dependency on its environment on the premise that organisations that are too dependent on their environment have little strategic choice or manoeuvring ability.

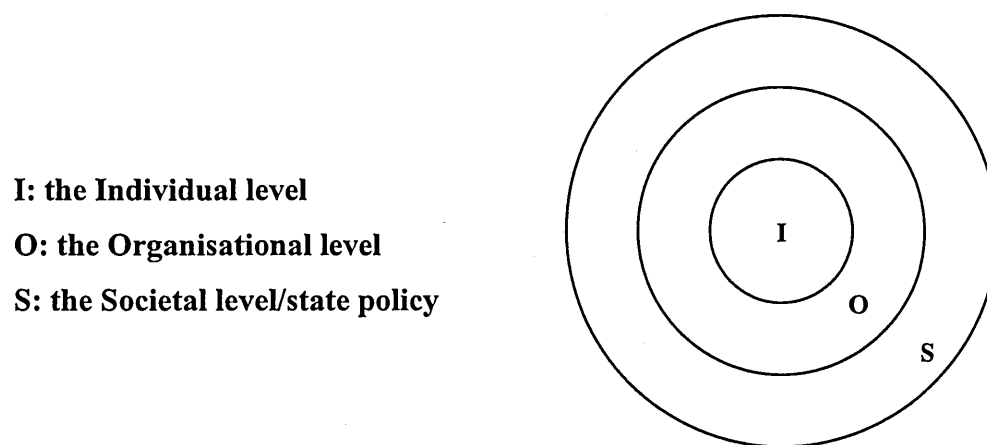
These are, of course, the extremes of two opposing positions and there is a developing group of commentators who, whilst recognising that many voluntary organisations are highly dependent on donors, statutory and voluntary sector partners, service users, members, volunteers and other stakeholders, believe that the future of an organisation lies in its ability to recognise, understand and adapt to changes which determine the operating context (Fowler, 2000; Hafsi & Thomas, 2005). In other words, their fundamental assumption is that strategic management in high dependency situations requires a continual attention to the organisation’s relationships and interactions with the forces in its environment, and a continuous management of the process by which change takes place.

Indeed, empirical research indicates that in order to capture a full picture of organisational change, both internal and external contexts should be examined together (Leavy & Wilson, 1994). This is a view shared by Glasby (2002) who argues that it is not sufficient to explain how voluntary organisations survive change through internal factors at the expense of considering the social, economic, cultural and political context in which they operate. Glasby's model, borne out of a critique of the Billis model, is the focus of the next section.

4.1.2 Glasby: A more holistic approach?

Through a single site case study of the Birmingham Settlement, Glasby (2002 p. 101) argues that, "to understand how voluntary organisations survive and change we need to consider the way in which individual, organisational and societal factors interact and move to a multi-dimensional model" (see figure 2).

Figure 2: Glasby's multi-dimensional model of organisational survival



Source: Glasby (2001) p. 191

Galsby describes how, over the course of its hundred-year history, the Birmingham settlement encountered a series of obstacles to its work, which, on occasions, have threatened to jeopardise the organisation's very survival. Of particular significance was the organisation's ongoing struggle for funding, problems with its buildings, profound changes brought about by expanding state services and the need for the organisation to reappraise its traditional role. Despite these difficulties, the Settlement has continued to function and expand. Glasby attributes the Settlement's success to ten main factors, each of which he categorises into one of three areas; individual contributions, organisational features and state policy/social forces in the following way:

Table 3: Glasby's 10 factors to successful organisational change and survival

Area	Main factors
Individual contributions	<ul style="list-style-type: none">- Longstanding support of leading local families- Commitment and contribution of the Settlements staff and volunteers
Organisational Features	<ul style="list-style-type: none">- Flexibility and ability to combine continuity with change- A commitment to innovation and meeting previously unidentified need- A holistic, multi-purpose approach- An emphasis on empowerment- Collaboration across sectors- Ongoing links with the University of Birmingham
State policy/social forces	<ul style="list-style-type: none">- Expansion of state welfare allowed freedom to develop new services and focus on marginalised groups- Existence of ongoing need and state failure to eradicate poverty

Source: Glasby (2001)

The benefit of such a model is that it acknowledges the interplay of the many factors which have contributed to the ability of the organisation to survive. Thus, the contributions of individuals, though significant, take place within an organisational structure, which itself is influenced by the social context. Similarly, the social context alone is not sufficient to ensure survival without certain organisational features, which in turn depend ultimately on the individuals working within the organisation. However, whilst Glasby explores his proposed levels throughout his PhD thesis, the model itself offers little detail as to *what* the different levels are composed of and *how* they interact. Whilst the model set out by Glasby provides a holistic framework for understanding organisational change, it is extremely basic and more detailed research would be required to investigate whether each of the various levels identified by Glasby are as relevant for other voluntary organisations as they appeared to be for his single case study organisation.

The research underpinning this thesis aims to provide a new way of considering organisational sustainability by presenting a way of thinking which moves away from crisis management and short term survival towards developing strategies for sustainability. The following section considers these wider concepts through a discussion of different approaches to strategy and organisational change.

4.2 The Role of Strategy in Organisational Change

The growing prominence given to trustees' strategy-making role occurs against a backdrop of an "increasingly professionalized and managerialist voluntary sector" (Harrow & Palmer, 1998 p.171). It was noted in chapter 3 that trustees have experienced a significant increase in advice appertaining to how to perform effectively, behave legally, and provide leadership for their organisation (Harris 1991; Quint, 1994; Hind, 1995). This upsurge in interest and advice to trustees can be linked, at least in part, with the voluntary sector's changing policy context outlined in chapter 2.

Much of the literature on strategic management and planning in a voluntary sector context began with Bryson's (1988) work, which places trustees as the final decision makers within a voluntary organisation who are competent to work with and, if necessary, prepared to change a voluntary organisation's planning culture. Buse (1993 pp.43-44) argues that the important function of trustees is "not to manage process but to manage outcome, with the trustees guardians of the values of the charity, and the values driven by the charity's planning". Within this context, it is therefore useful to provide a brief overview of the core debates in strategy and change through the exploration of a number of contrasting approaches.

The word strategy has been around for a long time, and many standard textbooks on strategy offer a definition, usually resembling the following: "top management's plans to attain outcomes consistent with the organisation's mission and goals" (Wright et al., 1992 p.3). Mintzberg et al. (1998) offer no such easy definition in their influential book, *Strategy Safari: The complete guide through the wilds of strategic management*. Instead, they argue that strategy requires a number of definitions, which consider:

- strategy as *plan* – looking ahead; a direction, guide or course of action into the future
- strategy as *pattern* – looking at past behaviour and consistency in behaviour over time
- strategy as *position* – the locating of particular products in particular markets
- strategy as *perspective* – an organisation's fundamental way of doing things in accordance with its 'grand' vision
- strategy as a *play* – a specific manoeuvre intended to outwit an opponent or competitor.

Mintzberg et al. (1998) further suggest that people function best when they can take some things for granted, at least for a time, and that this is a major role of strategy in organisations; it resolves the big issues so that people can get on with the little details. However, as they point out, the problem with this, of course, is that eventually situations change – environments destabilise, niches disappear and opportunities open up. This is one of the reasons why, even though the concept of strategy is rooted in stability, a vast amount of the literature dedicated to strategy focuses on change.

The very role of strategy in protecting people in organisations from distraction, can serve to impede their capacity to respond to changes in the environment. It could be argued then that strategies, and the strategic management process, can be vital to organisations by their absence as well as their presence. Indeed, a number of influential commentators (Inkpen & Choudhury, 1995; Mintzberg, 1994; Mintzberg et al., 1998) argue that strategy absence need not be associated with organisational failure and that deliberately building in the absence of strategy may promote flexibility in an organisation. Furthermore, they suggest organisations with tight controls, high reliance on formalised procedures, and a passion for consistency may lose the ability to experiment and innovate. Ultimately, their stance is that an absence of a rigid pattern of strategic decision making may ensure that noise is retained in organisational systems, without which, strategy may become a specialised recipe that decreases flexibility and blocks learning and adaptation.

Literature in the field of strategic management is vast and, since 1980, has been growing both in volume and importance as an academic discipline. However, for the most part, the teaching and practice of strategic management has perhaps been biased towards the rational and prescriptive side of the process, known as the modern paradigm (Grey, 2005). As a result, strategic management has commonly been portrayed as revolving around the “discrete phases of formulation, implementation, and control, carried out in almost cascading steps” (Mintzberg et al., 1998 p.19).

This section of the chapter departs from this traditional view in its attempt to provide a more balanced, albeit brief, review of the field with all its contradictions and controversies. Significant space is given to the non-rational/non-prescriptive approaches, which point to other ways of looking at strategic management. Although the pure form of the modern paradigm, with its emphasis on a rational approach to strategy and change, is considered by many as untenable, it has dominated the

literature and practice to such an extent that it is appropriate to bring much of this conventional wisdom into question within the context of this thesis.

4.2.1 The modern paradigm: A critique

The modern paradigm, or rational approach, involves a mindset which places a premium on rational, linear, logical, scientific approaches to management, and this persists despite the frequent critiques levelled against strategic planning (for example, Mintzberg, 1994; Mintzberg et al. 1998; Eccles et al., 1992). 'Management science' has sought to be just that – a science. Darwin et al (2002) suggest that there are seven supporting themes within the scientific approach, the first being *logic*, something often used as a synonym for rational. Second, and loosely related to this, is the assumption of *linear thinking*. Third, there is *quantification* – a high premium is put on quantitative methods, particularly in decision making. Fourth is *cause and effect* – the search to establish casual links between variables. Fifth there is *reductionism*, involving the search for basic elements. Sixth is the *split between thinking and acting*, and finally there is the concern for *control*. Chapman (2002) takes a similar approach to discussing policy making through outlining the conventional description of rational policy making as having four steps:

1. clarifying objectives (which are assumed to be unambiguous);
2. identifying the alternative means of achieving those objectives (rationality requires that all possible options are identified);
3. identifying the consequences, including all the side effects, of each alternative;
4. evaluating each set of consequences in terms of the objectives so that the best policy can be selected and implemented.

In a voluntary sector specific context, Bryson (1995) has developed what Kellock Hay et al. (2001) site as the only sector-specific model of change; a ten-step strategy change cycle for voluntary organisations:

1. Initiate and agree upon a strategic planning process
2. Identify organisational mandates
3. Clarify organisational mission and values
4. Assess the organisation's external and internal environments
5. Identify the strategic issues facing the organisation
6. Formulate the strategies to manage these issues

7. Review and adopt the strategic plan
8. Establish an effective organisational plan
9. Develop an effective implementation process
10. Reassess strategies and the strategic planning process

Darwin et al. (2002) bring together such approaches to management, strategy, policy and decision-making in the overarching concept of technocracy, which involves a system of governance in which experts rule by virtue of their specialised knowledge and position (Fischer, 1990). Again, technocracy is logical, instrumental and orderly, seeking 'true' knowledge through the positivist/neo-empiricist method. The application of such an epistemological and methodological approach to the topic of organisational sustainability is explored further in chapter 5.

One of the dominant themes in management stemming from the modern paradigm has been the 'clockwork organisation', and the notion that all phenomena can be reduced to machine characteristics (Darwin et al., 2002). This approach attempts to break a problem down into component parts and tackle them in a rational, linear manner in order to solve them. It presumes that the area for which the analysis and intervention are planned can be easily understood in a fairly straightforward mechanical and linear fashion. Senge (1990 p. 3) points out that, from an early age, we are:

“...Taught to break apart problems, to fragment the world. This apparently makes complex tasks and subjects more manageable, but we pay a hidden, enormous price. We can no longer see the consequences of our action; we lose our intrinsic sense of connection to a larger whole”.

Determinism flows naturally from reductionism. Hawkins (1988) refers to the French scientist the Marquis de Laplace, who at the beginning of the nineteenth century argued that the Universe was completely deterministic. He suggested that there should be a set of scientific laws that would make it possible to predict everything that would happen in the Universe, if only we knew the complete state of the Universe at one time. A key element of determinism is the nature of cause-effect relationships. It is here where the modern paradigm again comes under criticism from the social constructionist paradigms, which question the implicit linearity assumed between a policy decision, a corresponding intervention and a set of consequences. Fowler (2000) supports the notion that the linear model of policy making as an objective process of analysis and choice of options separated from implementation is an inadequate understanding of what actually happens. This leads Fowler to conclude

that the predictability of a policy's effects cannot be assumed, and unintended effects are numerous, if not the norm:

“The adoption of a Convention on Children's Rights is not meant to make families destitute if their labouring child can no longer work. Aid conditions are not meant to create dependency, or disempower and create perverse incentives for recipient governments that lead to ‘fungibility’ and devious relocation of external funds – but they too often do so.”

(Fowler, 2000 p.7)

In many domains of public policy, the world in which the policy maker or strategist aims to intervene is beyond complete comprehension. The complexity involved precludes the possibility of being able to predict the consequences of an intervention. The failure of such initiatives often leads proponents of the modern paradigm to propose an initial response of increased command and control, better policy making, tough inspection and more standards (Chapman, 2002). In contrast, supporters of some of the more interpretive or subjective approaches would suggest that an approach based on an understanding of complexity and systems thinking would allow much more diversity and experimentation, and people would be more comfortable with the idea of *emergent strategy*, rather than detailed plans and timetables backed up with a range of special measures for failure. The core argument is that the assumptions embedded in the rational and mechanistic approach to policy are no longer valid and that in a more connected, complex and unpredictable world of the twenty-first century, a different approach is called for (Spaul, 1996; Jackson, 2001).

The factors that undermine the traditional strategy approach – feedback, complexity, interconnectedness and globalisation form the basis of the argument for a new intellectual underpinning for strategy. However, Chapman (2002, p.23) holds that it is not just the intellectual basis of strategy that is inappropriate in the twenty-first century: “moral values and the organisational systems used to deliver strategy on the ground are also relevant”. In a recent article, concerning government policy making, Bentley (2002, cited in Chapman, 2002 p.23) concludes that:

“...The left must let go of command and control as the primary means of intervention to achieve progressive social ends. There are two fairly simple reasons for this conclusion. First, command and control is a framework unsuited to the complex, unpredictable demands of contemporary organisational life...

The second reason is moral. Command and control systems tend to treat people in instrumental ways... They assume a directive model of institutional authority in which the priorities, values and knowledge held at the centre of an

institution or community will shape and control the behaviour of those who make up the wider system.

But this assumption does not carry in societies where active consent is needed to achieve most kinds of public good, and where people's freedom of choice and action is often paramount as a cultural and political value."

There are however, still many individuals who view that, ultimately, there is only one strategist, and that this is the manager who sits at the apex of the organisational pyramid. As Hayes (1985, p.117) characterises it, "this command and control mentality allocates all major decisions to top management, which imposes them on the organisation and monitors them through elaborate planning, budgeting and control systems". This premise relegates other members of the organisation to subordinate roles in strategy formation and precludes external actors from the process altogether.

Within a voluntary sector context, there is perhaps a significant risk that the board of trustees may be sidelined from their official policy-making function with the development of an increasingly professionalized staff and managerial culture. Indeed, Parsons & Broadbridge (2004) note that, particularly at senior levels of management, professionals have been recruited from the commercial and statutory sectors and that these staff have tended to transfer across management practices and techniques developed in the for-profit and statutory sectors (Broadbridge & Parsons, 2003). Close links were particularly evident between these 'new' voluntary sector professionals and the strategic planning movement (Bryson, 1988; Drucker, 1990), with Mulhare (1999 p. 327) observing that the planning movement provided a strong basis for voluntary organisation managers' identities as professionals, finding that:

"Managers interpreted reluctance to adopt strategic planning, or inability to make strategic planning work as a signal that the non-profit organisation lacked experienced, skilful, professional management... strategic planning had become a symbolic demonstration of management competence, whether or not planning benefited the non-profit organisation in other ways."

In order to appear competent, managers have to demonstrate a command of 'strategy talk', which has led it to become a benchmark for legitimising managers' activities by demonstrating their comprehension of the need to subordinate themselves and other employees to its demands for organisational change (Darwin et al., 2002). A key element in strategy talk is the elitist exclusion of most of those who are affected by strategic decisions because they lack privileged knowledge and expertise. In contrast, authors such as Knights & Roberts (1982 p.50) observe that:

“Authority cannot be imposed or individually possessed, but always remains only a quality of the relationship between people, in which both are personally committed to, and see as legitimate, the reciprocal rights and obligations realised through their interaction.”

Thus, as the twenty-first century approached, significant changes in the frames of reference that were available for understanding strategy and change occurred. In the words of Darwin et al. (2002 p. 117), “commitment to truth and knowledge as the authoritative outputs of singular scientific rationality has been problematised through acknowledgement of epistemological relativity and plurality”. However, even a brief review of the management strategy and change literature, including that within a voluntary sector context, suggests that its mainstream remains reluctant to reject scientific foundationalism in some form. This is, perhaps, unsurprising as the acceptance of any form of constructivism would undermine any claim that management theory and practice are founded on a technical imperative, justified and enabled by objective analyses of how things really are (Fournier & Grey, 2000). In other words, social constructivism makes the moral authority of managers to impose their will on others, during processes such as strategy and change, very precarious.

By following an ontologically realist version of social constructivism (accepting the existence of a reality independent of human subjectivity), a critical approach to strategy and change undermines the authority of management as a technical, politically neutral activity and demands consideration of the social processes which underpin and legitimise any knowledge claim. Driven by its epistemological commitments, the aim of critical theory is to understand how management practices, such as strategy and change, are developed and legitimised within the shifting terrain of “asymmetrical power relations” (Darwin et al., 2002 p.125). Far from interpreting strategy and change simply as a set of neutral technical activities that benefit all by serving an assumed unitary organisational interest, a primary concern of critical theory is to surface the lack of objectivity surrounding strategy and change processes. As such, critical theory promotes the possibility of alternative modes of practice located in democratic discourse, which serves to undermine and displace the conventional, top-down, technocratic image of management through asking ethical questions concerning collective priorities (Forrester, 1989).

Critical theory requires that those individuals and groups whose perspectives are ordinarily silenced in organisations be given voice (Johnson & Duberley, 2000).

Therefore, identification and involvement of all potential communicants presumably must start with the mobilisation of every organisational stakeholder. The common traditionalist view of the change agent as a detached expert who exercises a legitimate role as an architect of change is a process that segregates and vetoes the less powerful. From the perspective of critical theory, most organisational members are only too often reduced to the objects of organisational change. Jeavons (1992) urges voluntary sector managers to analyse issues in historical, cultural and moral terms that can sometimes go largely unconsidered in other managerial settings. He emphasises three concerns in particular:

“The ethical integrity of the organisation, the degree to which organisation’s performance actually serves the public good, in the broadest sense of the term, and the degree to which the treatment of employees and volunteers honours the moral and social values that the organisation intends to project in its service work.”

(Jeavons, 1992 p.416)

For some authors (Spaul, 1996; Chapman 2002; Jackson, 1985 & 2001) critical systems thinking is one such approach to identifying and illuminating differences in perspective and objectives between different participants. Critical systems thinking - and the closely related topic of organisational learning - is one approach associated with critical social theory, and will be the topic for the remainder of this chapter. The argument for a systemic approach to sustainability in the voluntary sector presented in later chapters makes this literature particularly relevant for review.

4.2.2 A critical systems approach to strategy

Systems thinking, in the form of a general theory, emerged in the 1950s and led to the development of a wide range of theoretical positions and approaches to practice. It is neither appropriate nor practicable to review this rich field in a way that even approaches comprehensiveness. This sub-section therefore aims to present a sufficient overview of the field to enable comparisons and contrasts with the deterministic approach to strategy discussed previously. It is worth noting that until the 1970s, systems thinking was dominated by positivism and functionalism on the premise that systems of all types could be analysed by the same methods employed in the natural sciences and subsequently manipulated to better achieve the purposes they were designed to serve (Jackson, 2001). However, during the 1970s and 1980s this tradition came under increasing criticism, leading to alternative systems approaches building on different (philosophical) foundations (Beer, 1972; Ackoff, 1974;

Checkland, 1981; Ulrich, 1983). It is thus the more critical systems approach, which will be the focus here.

One way to understand critical systems thinking is to contrast it with the reductionist approach to tackling complexity, which forms the basis of the modern paradigm. As noted earlier in the chapter, the essential aspect of the reductionist approach is that complexity is simplified by dividing a problem into sub-problems or smaller (i.e. easier to manage) components. The process of sub-division is continued until the resulting issues are simple enough to be analysed and understood. The original complex entity is then reconstructed from the component parts. But, for proponents of a systems approach, herein lies the potential problem. What if, as the author argues in later chapters, essential features of that entity are embedded not only in the components but also in their interconnectedness? What if its complexity arises from the ways in which its components actually relate to and interact with one another? In this scenario, the very act of simplifying by sub-division loses the interconnections and therefore cannot tackle this aspect of complexity. Systems concepts thus enshrine a commitment to holism – “to looking at the world in terms of wholes” (Jackson, 2001 p. 234).

Chapter 1 set out the approach to sustainability that this study adopts. Briefly, sustainability is not a ‘thing’ that can be found or held. It is a condition or a property of complicated systems linking human behaviour to the environment (Fowler 2000). The system can be very small, localised and simple, or very large and complex. It is important to note that local or simple appearances are usually deceptive, because in practice, as explored in the critique of Billis’s five system model, boundaries between systems are seldom, if ever, closed. In one way or another, systems interact with each other in dynamic ways. However, the word system itself is a source of difficulty. Here, a system is taken to refer to a set of elements joined together to make a complex whole. For many (refer to Senge, 1990; Checkland, 1997) the justification for using the concept is that the whole is regarded as having properties that make it more than the sum of its parts.

The recognition of the existence of significantly different perspectives on a problem is a key characteristic of critical systems thinking, and one that is difficult to incorporate into a linear, rational model of decision making or strategy development. In their discussion of policy controversies, Schön and Rein (1994) argue that a root cause of

their difficulty is the different frameworks used by participants and policy makers to make sense of the world. The implication is that it is effectively impossible to establish a rational model of decision making or analysis that would span more than one framework; all analyses based on a single framework or perspective are politically loaded and never neutral (Johnson & Duberley, 2003). Thus, employing an approach to strategy development that takes into account different perspectives or different frameworks is not a luxury; it is essential if the proposals that emerge are to have anything approaching widespread support (Candy, 2005; Alegria, 2005; Coule, 2007).

Associated with this multiple perspective approach is another systems idea: a trap built into the way an individual thinks. It is often the case that an individual or group will define and think about problems in ways that make them harder to solve. A common way this is done is to blame others for the problem, which then serves to deny an individual's ability to change the situation. For example, policy makers are prone to blame implementers when things go wrong. However, as Mintzberg et al. (1998) argue, there is no such thing as a gap between strategy and implementation; there are only policies whose poor design fails to take into account the realities of implementation.

Behind the modern paradigm's distinction between formulation and implementation lies a set of ambitious assumptions: that environments can always be understood by senior management, currently and for a period well into the future; and that the environment itself is sufficiently stable, or at least predictable, to ensure that the formulated strategies today will remain viable after implementation (Mintzberg et al., 1998). In an unstable or complex environment, this distinction has to be collapsed, in one of two ways. Either the formulator has to be the implementor, or else the implementors have to formulate. In other words, thinking and action have to proceed in tandem, closely associated. When the world is viewed as interconnected, complex and dynamic, Senge (1990) argues that work must become more 'learningful'. He suggests that it is no longer sufficient to have one person learning for the organisation and that it is impossible to "figure it out from the top, and have everyone else following the orders of the grand strategist" (p.4). Ultimately, organisations must discover how to tap people's commitment and capacity to learn at all levels in an organisation. The underlying message here is that future organisational sustainability will depend on an ability to learn and apply learning to alter behaviour (Senge, 1990).

The basic learning process occurs everywhere in an organisation. A challenge in creating an organisation where people's learning contributes to organisational development and sustainability lies in bringing together personal learning, along with other forms of data, as primary information sources to collectively make sense of what they mean and translate the result into a greater capacity to be agile – to transform information into organisational change (Fowler, 2000). Notably, a concern with pluralism, emancipation and the ethics of intervention are defining characteristics of critical systems thinking (Spaul, 1996; Jackson, 2001).

Numerous studies and publications suggest that voluntary organisations are generally not happy with their ability to learn (Fowler, 1997 p.64-65; Smillie, 1999). Fowler (2000) holds that this common problem exists due to historical, psychological and deep-lying structural conditions, which can be summarised as follows. Historically, voluntary organisations have emerged from and been driven by action, activism and a deep belief in undertaking practical interventions with and for people. Fowler (2000 pp. 135-136) argues that:

“A direct operational orientation has put less value on, and effort into, indirect processes such as reflection and learning, which are often seen as ‘desirable luxuries’. One of the resultant consequences is that an investment in learning is seen as part of the overhead costs, not a core element of being effective, meaning there is a chronic under-investment in learning systems and processes. In addition, to attract funds voluntary organisations often have to portray themselves as having mastered simple solutions to complex problems, which can generate false expectations along with a fear of exposure. Error and failure are therefore denied rather than embraced as a potential source of learning.”

Together, this operational orientation and denial of failure contribute to an organisational psychology and culture that are not necessarily conducive to learning (Hulme & Edwards, 1996). There are also structural barriers to learning that may worsen as organisations grow and formalise. Vertical barriers can arise between departments or projects and horizontal barriers can grow between management and staff. The resource insecurity experienced by many voluntary organisations, often fed by project-based development and short term contracts, necessitates the employment of staff on short-term contracts and perpetuates the focus on achieving the time-bound outputs needed to secure the next project or contract. Generally, no funder of a voluntary organisation is interested in resourcing an organisation to stand back to see if all its “project building blocks – usually evaluated one by one – are actually adding

up to be a useful, well designed wall or other structure” (Fowler, 2000 p.136). As such, evaluation still operates as an instrument of control rather than learning. Overcoming these barriers to learning is likely to require a change in mind-set, or mental models, as much as changes in procedures or investment strategies.

Central to the idea of changing mental models (deeply held internal images of how the world works) is reflexivity. Generally, reflexivity is concerned with the relationship between any observer and the objects of observation, by noticing and evaluating how pre-understandings influence the way we engage with the world (Darwin et al. 2002). The way mental models shape perceptions is no less important in management. The problems with mental models lie not in whether they are right or wrong, but when they are tacit and exist below the level of awareness. Failure to appreciate, surface, test and improve mental models has undermined many efforts to foster systems thinking (Senge, 1990). Entrenched mental models undermine the changes that could come from systems thinking. Practitioners must learn to reflect on their current mental models; until prevailing assumptions are brought into the open, there is no reason to expect mental models to change, and there is little purpose in critical systems thinking (Chapman, 2002). Within a critical systems approach there is no room for establishing and reinforcing a small group’s privilege and power; institutionalising reflection and surfacing mental models require mechanisms that embed these practices within the organisation.

4.3 Summary

Although the issue of change management remains relatively neglected within the expanding literature on the voluntary sector (Kellock Hay et al., 2001), this chapter has demonstrated how one of the leading models (Billis, 1996) focuses solely on internal organisational factors. The chapter then explored how, through a single case study, Glasby (2001) demonstrated that such an approach fails to encapsulate the complex range of factors that impact on voluntary organisations and influence their capacity to adapt to the challenges they face. Finally, the chapter concluded with an exploration of some of the core debates surrounding strategy and change, and highlighted how a significant proportion of mainstream literature has moved beyond the promotion of rationalist recipes. The degree to which such debates have been embraced within the voluntary sector literature is questionable, as demonstrated by the necessity to draw on mainstream literature within this chapter.

The critique presented has been intended to dismiss not the modern paradigm, but its assumption of universality, that it somehow represents the one best way to make strategy. In particular, the rational approach has been rejected where strategy formation has to emphasise learning, especially on a collective basis, under conditions of uncertainty and complexity.

The last three chapters have outlined the detailed theoretical context for the empirical research undertaken for this thesis. In turn, the author has explored the nature of the environment in which many voluntary organisations operate; the diversity of voluntary organisations' internal systems; and finally, the topics of strategy and change through supplementing the somewhat limited voluntary sector literature with wider debates from mainstream literature. The next two chapters act as a bridge to the extended discussion of issues and findings in later chapters, by turning towards questions of research philosophy and methodology.

5 RESEARCH APPROACH

Johnson & Duberley (2000) argue that how we come to ask particular questions, how we assess the relevance and value of different research methodologies so that we can investigate those questions, and how we evaluate the outputs of research, all express and vary according to our underlying epistemological commitments. They further note that no one can stand outside epistemological processes. Before proceeding with an outline of the specific design and methods employed in this three-phase research programme (incorporating focus groups, survey fieldwork and multiple case studies) in chapter 6, it is therefore important to first elucidate the author's own epistemological assumptions.

It is also appropriate at this stage to acknowledge the questions the research has been designed to investigate, as outlined in chapter 1. Broadly, the research aims to explore the nature of sustainability in voluntary organisations, and the role and process of organisational strategy and change; ultimately culminating in the development of a systemic framework of organisational sustainability in the voluntary sector.

This chapter begins by highlighting the ways in which methods are inextricably linked to the epistemological assumptions of the researcher. Fundamentally, the chapter will then aim to illustrate and critically assess various potential modes of engagement in the domain of organisational sustainability in order to surface the author's own epistemological commitments and the assumptions she brings to her field of study. The chapter will culminate in a discussion of how differing philosophical perspectives present implications for the role of reflexivity (thinking about our own thinking) and necessitate the adoption of alternative sets of evaluation criteria.

5.1 Overview

The different assumptions regarding ontology and human nature pose interesting and often contentious problems of epistemology. They constitute different worldviews, which in turn imply different grounds for knowledge about the social world. Further, our selection of one knowledge system, or epistemological stance, over another becomes a matter of moral priority or principle; endorsement of any metatheoretical assumptions is, and always will be contentious. It is therefore crucial that any researcher considering the adoption of any method reflexively engages with

both the practical and theoretical issues surrounding that method and the assumptions they bring to their field of study. Jackson & Carter (1995 p. 203) warn of the danger of *any* system of knowledge that does not reveal its value system:

“...Management knowledge claims must be value laden, i.e. be ideologically informed. In order fully to comprehend the import of knowledge claims it is, therefore, necessary to understand what interests inform them before competent judgement of adequacy and value can be made. To present knowledge as science which is inevitably value-laden is to mislead. But equally culpable are those who argue for a relativistic approach to knowledge without revealing the value system which informs their claims. In other words, any knowledge claims which do not make explicit their informing value system must be seen as claiming an authority which cannot be justified.”

A key idea put forward by such authors is that to make unexamined epistemological (and subsequent methodological) commitments whilst remaining unaware of their origins is intellectually irresponsible and leads to poor research practices (Sandywell, 1996; Johnson & Duberley, 2003). As management researchers move away from the ontological assumption that the world is a concrete structure, and embrace the concept that human beings, far from merely responding to the social world, may actually contribute to its creation, the dominant (positivistic) methods and modes of engagement become increasingly unsatisfactory and inappropriate. Quantitative methods may have an important, but only partial role in the understanding of social change, as highlighted by the multi-method approach adopted by the author - described in detail in chapter 6. There is thus much debate regarding the extent to which research methods are directly linked to underlying assumptions about ontology and epistemology.

In this regard, authors such as Fraenkel (1995 p. 120) have suggested that “the tension between nomothetic and ideographic approaches should come to have more the form and flavour of a healthy dialect, rather than that of an acrimonious debate”. In fact, Sells, Smith and Sprenkle (1995) have also argued for what they term a multi-method, bidirectional research model, whereby qualitative and quantitative methods build upon each other and offer information that neither one alone could provide. Bevelas (1995) also suggests that we should challenge the dichotomy way of viewing the two approaches, and instead, replace it with a continuum way of discussing and using qualitative and quantitative research methods.

Despite an increase in the amount of multi-method research since the early 1980s, not all writers on research methods agree that such integration is either desirable or feasible; the research community has, traditionally, seen quantitative and qualitative modes of research as historically opposite. Instead, Fraenkel (1995) argues for researchers to use the strengths of both to gain a greater perspective, and suggests that a research paradigm which utilizes both qualitative and quantitative methodologies could be productive. Tripp-Reimer (1985 p.197) suggested that using qualitative and quantitative methods in conjunction “may provide complementary data sets which together give a more complete picture than can be obtained using either method singly”. It is envisaged that qualitative research, when used first in a multi-method approach, will help to “facilitate serendipitous findings, raise unexpected questions, and identify topics the investigator might not have otherwise considered” (Tripp-Reimer, 1985 p.197).

5.2 Epistemological Stance

Section 5.1 has begun to demonstrate the importance of discussing methodology in a way that highlights the link between theory and method: between the worldview of the researcher, the type of research question to be addressed, and the technique or methods that are to be adopted. All these issues are related in the most fundamental of ways, and there are core assumptions that underlie the arguments for and against different methods:

“The case for any research methods, whether qualitative or quantitative (in any case a somewhat crude and oversimplified dichotomization) cannot be considered or presented in the abstract, because the choice and adequacy of a method embodies a variety of assumptions regarding the nature of knowledge and the methods through which that knowledge can be obtained, as well as a set of root assumptions about the nature of the phenomena to be investigated”.

(Morgan & Smircich, 1980 p. 491)

This section will therefore proceed with a discussion of the link between epistemology and methodology, which begins to outline the assumptions brought by the author to her field of study. The section then explores epistemology in practice by reviewing two sustainability related research papers employing contrasting modes of engagement to further position the approach adopted for this study. Finally, consideration is given to the implications for reflexivity and research evaluation criteria presented by differing epistemological commitments.

5.2.1 The link between methodology and tacit metatheoretical commitments

The terms methodology and method are used interchangeably by a great many people. Harding (1987 p. 2) identifies another complication by observing that, in a number of methodological debates:

“Discussions of method (techniques for gathering evidence) and methodology (a theory and analysis of how research should proceed) have been intertwined with each other and with epistemological issues (issues about an adequate theory of knowledge or justificatory strategy)... ‘method’ is often used to refer to all three aspects of research [that is, method, methodology and epistemology]”.

However, Harding (1987) argues that there is a clear distinction between methods and methodology; methodology refers to a theory of producing knowledge through research and provides a rationale for the way a researcher proceeds. In other words, methodology refers to more than particular techniques, such as undertaking a survey or interview, rather it “provides reasons for using such techniques in relation to the kind of knowledge or understanding the researcher is seeking” (Gough, 2002 p. 5). The case study approach, for example, is popular with many voluntary sector researchers and has provided detailed insights into the changes and dynamics of voluntary action (Alcock et al., 1999; Scott et al., 2000; Macmillan, 2003). Indeed, two prominent models of organisational change in the voluntary sector (Billis, 1996; Glasby, 2001), reported in chapter 4, were developed using the case study approach.

Guba (1990) identifies three types of questions that may be used for generating inquiry paradigms:

- Ontological: what is the nature of the knowable?
- Epistemological: what is the nature of the relationship between the knower/inquirer and the known/knowable?
- Methodological: how should the inquirer go about finding out knowledge?

Researchers produce knowledge within a particular epistemology and, as a result, methodological and epistemological questions are inextricably linked. Terre Blanch & Durrheim (1999 p. 6) identify and present three social science research paradigms which demonstrate this link, shown in table 4.

Table 4: Positivist, interpretive and constructionist paradigms

	Ontology	Epistemology	Methodology
Positivist	Stable external reality Law-like	Objective Detached observer	Experimental Quantitative Hypothesis testing
Interpretive	Internal reality of subjective experience	Empathic Observer intersubjectivity	Interactional Interpretation Qualitative
Constructionist	Socially constructed reality Discourse	Suspicious Political Observer constructing versions	Deconstruction Textual analysis Discourse analysis

Source: Terre Blanche & Durrheim (1999 p. 6)

While the concepts presented in table 4 are a useful starting point, it is a rather simplistic approach to mapping such a complex territory. Placing qualitative approaches within the interpretive paradigm and quantitative approaches within the positivist paradigm suggests that to elect to use a self-completion questionnaire for example, is more or less simultaneously and inevitably to select a natural science model and an objectivist (positivist) world view – a suggestion the author believes is an oversimplified one. Such a view implies that research methods are infused with specific clusters of epistemological and ontological commitments. Whilst the author would argue that research methods do not constitute neutral tools and are tied to different versions of how social reality should be studied, she would maintain that it is possible to overstate this point. For example, potentially all data collected through what would be seen as a qualitative approach can be coded quantitatively; qualitative interview transcripts can be coded into themes and analysed to establish the most frequently mentioned theme and, indeed, the correlation between themes (see Coule, 2005). Although superficial, this example highlights that qualitative data can be quantitatively coded in a variety of ways and that the line between qualitative and quantitative is less distinct than is sometimes presented.

The precise nature of any technique ultimately depends on the epistemological stance of the researcher, and on how the researcher chooses to use them. For example, the author has aimed to demonstrate elsewhere (Coule, 2005) how the potential use of focus groups - representing the first phase of fieldwork in this study - by researchers with diverse philosophical commitments presents implications in terms of research aims, processes and reflexivity. By way of illustration, table 5 makes some tentative observations regarding the use of focus groups within three research paradigms.

Table 5: A paradigmatic approach to focus group research

Paradigm	Aim of Focus Group	Focus Group Strategy	Example of Analytic Technique	Role of Reflexivity
Foundationalism <i>Realist ontology – objectivist epistemology</i> (e.g. positivist or neo-empiricist)	Document subjects opinions and attitudes, which are seen as objective 'facts'.	Structured schedule/topic guide. Emphasis on moderator control. Relatively large groups of strangers. Held in a 'neutral' setting.	Removal of data from context in which it was generated through the use of quantitative coding and analysis of themes.	Limited to the deployment and monitoring of particular research protocols. Emphasis on 'methodological rigour'.
Kantianism <i>Realist ontology – subjectivist epistemology</i> (e.g. critical theory)	Collect data on group norms; on the conformity, consensus, censorship and dispute surrounding such norms.	Explicit attention to group interaction and commitment to consensus through collective learning. Smaller group sizes composed of strangers, pre-existing groups or both. Critical reflection regarding the impact of the researcher, venue, group composition etc. on participants.	Aim to shed light on substantive issues whilst retaining richness and complexity of data. Emphasis on systematic not selective analysis of data, perhaps using a combination of content and conversation analysis.	Consideration given to how the group context and broader cultural/institutional features encourage or suppress certain points of view. Awareness of the location of the researcher in relation to group members and the topic of investigation.
Relativism <i>Ontological subjectivism – epistemological subjectivism</i> (e.g. postmodernism)	To allow multiple voices to be heard and deconstruct the dominant discourse.	Explicit attention to group interaction, where all thought is viewed as argumentative in character.	Attention given to transcripts as 'talk'. Each group is seen as having its own socially constructed reality, which is deconstructed through conversation analysis.	No transcript (or analysis) is seen as stable: it can always be reflexively questioned as layers of meaning are removed to reveal those which have been suppressed. Results in a relativistic position where there is no 'fixed' truth.

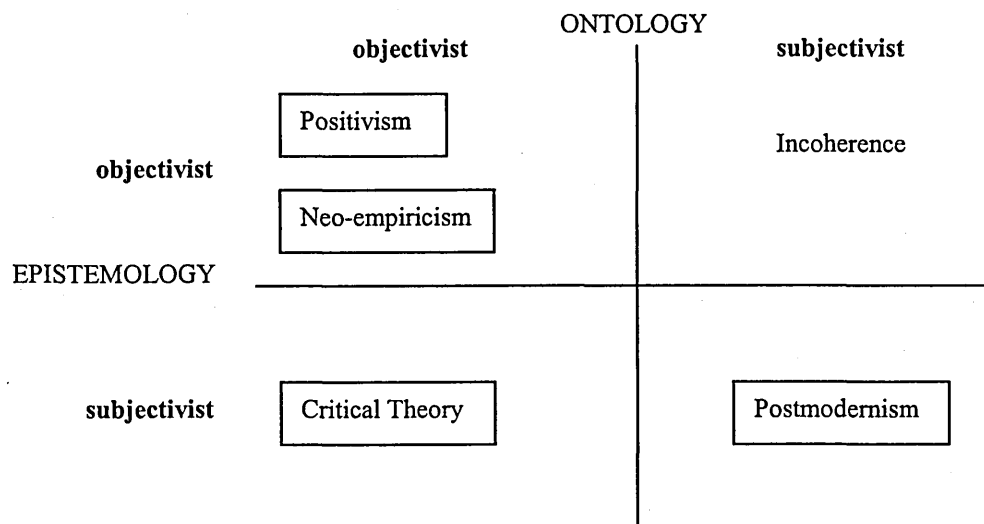
Source: Coule (2005)

When considering table 5, it should be borne in mind that research practitioners do not necessarily operate consistently within a particular stance and often vary their approach within a specific piece of research. The author therefore cannot claim that the taxonomy she presents is exhaustive; rather she would point to its heuristic value that articulates the possibility of diverse philosophical approaches to focus group research. The main point here is that researchers should articulate and reflect upon their particular philosophical commitments and their methodological consequences.

5.2.2 Epistemology in practice

Johnson & Duberley (2000) provide the matrix produced in figure 3 as one way of understanding the various approaches to undertaking management research. Whilst the two axes of the matrix are constituted by objectivist and subjectivist assumptions about epistemology and ontology, Johnson & Duberley (2000 p.180) express the need to be cautious about using such binary models in that they “set up dualisms which may occlude some of the subtle similarities and distinctions which exist between various schools of thought”.

Figure 3: Approaches to management research



Source: adapted from Johnson & Duberley (2000)

Thus, figure 3 provides an initial orientation, rather than prescription, for the perspectives represented. In summary, an objectivist view of epistemology presupposes the possibility of accessing the external world objectively (a theory-neutral observational language). A subjectivist view of epistemology denies the possibility of such an epistemological foundation. Meanwhile, an objectivist view of ontology assumes that social and natural reality have an independent existence prior

to human cognition whereas a subjectivist ontology assumes that what we take to be reality is an output of human cognitive processes. Whilst this chapter aims to illustrate the author's position of combining an objectivist view of ontology with a subjectivist view of epistemology, chapter 6 will highlight how these epistemological commitments have influenced the use of the particular research methods employed in this study.

Although not specific to the voluntary sector, this section now explores a number of potential modes of engagement. It does so through a critique of two papers with a generic theme of organisational sustainability - one situated in the top left quadrant of figure 3 and one in the bottom left quadrant - with the aim of exposing the epistemological choices informing this research.

5.2.2.1 From positivism to neo-empiricism: The case of expert investment systems

Positivism has and continues to dominate mainstream business and management research, including research in the domain of organisational sustainability. This section of the chapter interrogates the positivist and neo-empiricist modes of engagement through a critique of a paper titled *Facilitating Organisational Sustainability through Expert Investment Systems* authored by Royal, Daneshgar & O'Donnell (2003).

It is the function of securities analysts to attempt to predict future financial performance (Royal, et al., 2003). Models for this analysis have traditionally been heavily quantitative and this aspect of the securities analysts work is often underpinned by undergraduate qualifications in finance and business, or in specialised quantitative fields (Royal & Althausen, 2003). Due to the skills sets being so strong in quantitative areas, a knowledge gap has emerged in terms of analysts' skills in utilising qualitative data, such as human capital data.

Royal, et al (2003) note that there is a substantial body of literature suggesting that organisational sustainability in general, and human capital sustainability in particular, can be seen as potential indicators of future performance (De Geus, 1999; Collins & Porras, 2000; Senge, 2000; Collins, 2001), leading them to the following proposition (p. 167):

“As the sustainability of human capital is likely to influence the future performance of the firm, it needs to be systematically analysed by the

financial markets. This would be a complementary process to more traditional financial measures.”

Moreover, they suggest that systematically analysing the sustainability of human capital requires a level of objectivity, which an ‘expert system’ can provide. The paper goes on to present a future expert system, titled Human Capital Analyser (HCA). Royal et al. (2003) provide a model which, they suggest, provides a basis for analysis of the human capital of a firm. Royal et al. hold that an expert system, such as the HCA, is a system that uses human knowledge captured in a computer to solve problems that ordinarily require human expertise (Turban & Aronson, 2001). These systems imitate the reasoning processes that experts use to solve specific problems; it is claimed that such systems could function “better than any single human expert in making judgements in a specific area of expertise” (Royal et al., 2003 p. 170).

Although Royal et al. warn that human capital analysis needs to be carefully applied, and that analysts need to be cautious in linking complex variables, they maintain that, provided the analyst has access to comprehensive and rigorous data on the subtleties of human capital, the HCA can be used systematically to analyse human capital. Such a statement suggests that, provided an analyst has been suitably trained, this analysis can be neutral, value-free and objective, and that the task of science is to produce instrumentally useful knowledge, so as to enable prediction and control.

The growing interest and need to access and measure the more intrinsic, or intangible assets of an organisation within the expert systems domain, has resulted in an attempt by authors such as Royal et al. to develop and utilise interpretive approaches which entails a shift towards neo-empiricism. However, a major contradiction in their neo-empiricist approach is that their tacit metatheoretical commitment to human and organisational behaviour as interpretive and based upon member’s social construction, is not applied to their own analysis or working. It is the author’s opinion that the very nature of the phenomena under investigation challenges the utility of such methodological closure.

5.2.2.2 A critical approach to sustainability and organisational change

In *Sustainability and Innovative Organisational Change: Identifying and dealing with non-synchronised processes in a rapidly changing environment*, Wilhelmson & Döös (2002 p. 2) place organisational sustainability in relation to “phases of development

over time in four different aspects of the ongoing business; in products, in organisation structure, in principles for how to organise work, and for individuals". Organisational renewal is not seen by Wilhelmson & Döös as something that can be implemented by managers. Rather, it is understood as something that emerges from interaction – regarded as an ongoing process between an unlimited number of actors, who in some way or another take part and thus influence the renewal work. Influence comes from actors on the outside as well as from the inside of an enterprise, from below as well as above in the hierarchy. For Wilhelmson & Döös, as for the author, this makes it relevant to take into account different aspects of a system when discussing the sustainability concept.

Wilhelmson & Döös (2002) see work tasks and situations as representing ongoing opportunities for knowledge construction and re-construction. They suggest that changing an individual's way of thinking or understanding means learning, which they see as a process of knowledge construction based on action, with the learner as an active constructor of knowledge and know-how. Further, learning and development, according to Wilhelmson & Döös (p. 11), are "not to be reduced to easiness and simplicity when in process". They remind us that the processes of changing stances and transforming 'habits of mind' are demanding, and can be associated with crisis, pain, and even chaos if the learning challenges basic values and ways of understanding; "relinquishing existing work tasks and related competence is like walking on thin ice, before there is something new to hold on to" (p. 11).

Learning as a collective process means that individuals learn through some kind of interactive and communicative action:

"This is a learning process that creates the added value of synergy, via which what is learnt becomes qualitatively different from what any individual could have reached alone; it entails learning that results in shared knowledge, in a similar understanding of something specific, and – grounded in this – an ability for joint action."

(Wilhelmson & Döös, 2002 p.11)

The underlying commitment here is to consensus through collective learning and communicative action. Due to their socio-rationalism, Wilhelmson & Döös emphasise the role of reflexivity in enabling both the construction of new interpretations and the achievement of consensus. Here, they would part company with most postmodernists, who would reject the 'human agent' as the centre for

rational control and understanding (Cooper & Burrell, 1988). Moreover, according to Lyotard (1984), achieving consensus and harmony is not possible. As a result “truth”, whether established through consensus (critical theory) or correspondence (positivism), is “no longer considered to be a worthwhile goal for management research or a possible moral basis for managerial practice and authority” (Johnson & Duberley, 2003 p. 1286).

Wilhelmson & Döös (2002) hold that organisations are embedded in a broad social and cultural context that enables or restricts organisational practices. These practices, in turn, reproduce or change the context – in a relation of mutual dependency. This suggests that, unlike postmodernists, Wilhelmson & Döös assert that physical, biological and social constraints exist in a real sense, and that language is not “all there is” (Parker, 1993 p. 208). Johnson & Duberley (2003) maintain that this position is driven by a desire to abstain from postmodernism’s ‘relativistic nihilism’ whilst avoiding the recreation of positivism’s repressive discourses – a position to which the author leans within her own work.

This sub-section has provided a brief critical assessment of a number of potential modes of engagement with the topic of organisational sustainability and, in the process, has highlighted the author's allegiance to a critical approach.

5.2.3 The role of reflexivity

The preceding section has illustrated that the way in which reflexivity is constituted varies according to researchers’ epistemological commitments, with particular forms of reflexivity carrying “distinctive implications for the role of the researcher in terms of aims, processes, and outcomes” (Johnson & Duberley, 2003 p. 1279). The overall focus of reflexivity within the neo-empiricist paradigm is clearly limited to the monitoring and deployment of particular research protocols or methodological rigour. It would appear that the objectivist epistemological assumptions of researchers within this paradigm serve to eschew the concept of epistemological self-reflection (Habermas, 1972).

The metatheoretical commitments expressed by authors such as Trochim (2000) and Royal et al. (2003) demonstrate their belief that, provided the researcher can rigorously deploy widely accepted qualitative methodologies, he/she will possess the ability to accumulate objective facts. A major contradiction in such an approach is

that the researcher's apparent tacit metatheoretical commitment to human and organisational behaviour as interpretive and based upon member's social construction is not applied to their own analyses – a contradiction which leads to an untenable position in the eyes of the author. For if such researchers recognise that the social world constitutes some form of open-ended process, any analysis that “contents itself with the production of narrow empirical snapshots of isolated phenomena at fixed points in time, does not do complete justice to the nature of the subject” (Morgan & Smircich, 1980 p. 498).

Indeed, Trochim's (2000) suggestion that the heart of the quantitative-qualitative debate is philosophical and not methodological is evidence of a failure to examine the relationship between theory and method. The tendency here is to argue the case for different analytic techniques almost as ends in themselves, abstracted from the wider methodology and issues that they were employed to examine. Although such an approach constitutes a shift away from the domination of quantitative data collection methods based on positivist assumptions, towards neo-empiricism based on qualitative methods, the author would argue that researchers are simply replacing one kind of 'abstracted empiricism' with another.

Although it can be tempting to demonstrate the precise way in which different techniques fit into the paradigms presented in table 4, the author has argued (Coule, 2005) that this would be oversimplifying the issues involved. Any technique often lends itself to a variety of uses depending on the theoretical orientation of the researcher. The point here, and one which has been stressed throughout this chapter, is that the virtues of any technique cannot be determined and categorised in the abstract, because their precise nature and significance is shaped within the context of the assumptions on which social researchers act (Morgan & Smircich, 1980).

The range of possible approaches to qualitative research is indicative that the dichotomization between qualitative and quantitative methods is a rough and oversimplified one. Qualitative research stands for an approach rather than a particular set of techniques, and its appropriateness – like that of quantitative research – is contingent on the nature of the phenomena to be studied. The author would suggest that a preoccupation with methods in isolation obscures the link between the assumptions that the researcher holds and the overall research effort, resulting in the

illusion that it is the methods themselves - rather than the orientations of the human researcher - that generate particular forms of knowledge.

5.2.4 Implications for the evaluation criteria for social research

The author has argued then, that the terms qualitative and quantitative research, and the adoption of individual methods, embrace a diverse array of research practices resulting from philosophical assumptions that produce distinctive perspectives. Johnson, et al. (2004) suggests these perspectives necessitate the adoption of different sets of evaluation criteria and that any evaluative framework must take into account this diversity by “encouraging the reflexive application of the appropriate evaluation criteria foregrounded in the mode of engagement used by the researcher” (p. 3).

This chapter has suggested that a significant factor influencing how research is constituted lies in the philosophical assumptions of the researcher. In addition, it has highlighted how some researchers' who promote a qualitative approach to data collection have tended to transfer notions of objectivity, validity, reliability and generalisability into their conduct and evaluation (see 5.2.2.1). Here neo-empiricists try to ensure rigour by deploying particular conceptions of validity and reliability – evaluative criteria that assume that phenomena are independent of the researcher, and the methodology used, provided the correct procedures are followed (see table 5). Therefore it is evident that reliability is dependent on the philosophical commitment that the world is both stable and neutrally accessible. The result is that reflexivity is constituted by an emphasis on unbiased data collection in order to protect against “fanciful theorizing” (Donaldson, 1996 p. 164). Such evaluative criteria implicitly articulate positivist philosophical assumptions, which undermine the alternative stances being articulated in the work of many social researchers (Alvesson & Deetz, 2000; Alvesson & Skoldberg, 2000), including the author's.

Many researchers who favour the concept of socially constructed realities have thus traditionally failed to translate this philosophical shift into an appropriate set of evaluation criteria (see Lincoln & Guba, 1985; Hammersley, 1990). This criticism led Guba & Lincoln (1985) to propose criteria for assessing the trustworthiness of qualitative research (credibility, transferability, dependability and confirmability) that parallel internal and external validity, reliability and objectivity, respectively. While many qualitative research reports still refer to these criteria, it has been argued more

recently that qualitative research should be evaluated against the criteria that are most consistent with the researcher's particular philosophical stance. It should thus be borne in mind that not all criteria are equally important, or applicable, within all qualitative (or multi-method) research studies, given the differing philosophical and social science traditions that inform qualitative enquiry (Fossey et al., 2002).

Indeed, Johnson et al. (2004) highlight the importance of evaluating any research from within the particular logic articulated by its philosophical basis. They suggest that the aims of management research are different within the different schools of thought, as are the quality criteria. This would result in the evaluation process focusing on the extent to which a particular piece of research consistently embraces the epistemological and methodological principles it claims to follow. For the focus group research underpinning this thesis, this would equate to the principles articulated in table 5 under the kantianism paradigm. The author's critical realist position of combining an objectivist view of ontology with a subjectivist view of epistemology has, of course, also influenced her use of the survey and case study method – this will be an underpinning theme within the detailed discussion of these methods presented in chapter 6. However, for now, it is worth noting that criteria relating to credibility (from participants' perspectives) are of particular significance within a critical approach such as that adopted for this study. According to Fossey et al (2002 p.725), this raises the following questions regarding the authenticity of researchers' representations of participants' perspectives and worlds:

- Are participants' views presented in their own voices, that is, are verbatim quotes presented?
- Are a range of voices and views (including dissenting views) represented?
- Would the descriptions and interpretations of data be recognisable to those having the experiences/in the situations described?
- To what extent were power relations in data collection and analysis taken into account, for example, were participants involved in documenting, checking or analysing data, or reviewing the analysis?

5.3 Summary

This chapter has highlighted that methods are inextricably linked to the epistemological assumptions of the researcher. Fundamentally, it has illustrated and critically assessed various potential modes of engagement in the domain of

organisational sustainability in order to surface the author's own epistemological commitments and the assumptions she brings to her field of study. Finally, the chapter culminated in a discussion of how differing philosophical perspectives present implications for the role of reflexivity and necessitate the adoption of alternative sets of evaluation criteria.

Ultimately, this chapter has highlighted how questions about the design, conduct and analysis of research are not merely technical or practical questions, but involve theoretical decisions about research aims, and ultimately issues of epistemology. While it is impossible for researchers to stand outside their own metatheoretical commitments, they can, and should, at least open them to their own interrogation through their capacity for reflexivity (Johnson & Duberley, 2003). Chapter 6 will proceed with this objective in mind by presenting a detailed description of the research design and methods employed for this study, not just as mere technical issues, but in a way which shows how they are integral and fundamentally linked to the tacit metatheoretical commitments of the author.

6 RESEARCH DESIGN & METHODS

The previous chapter has highlighted the important implications that epistemology raises for the status of various research methodologies available to management researchers. It also demonstrated how management research has been dominated by a positivist epistemology, which encourages an exclusive focus upon deductive and often quantitative methods – although this dominance has more recently been confronted by a neo-empiricist interpretive challenge which shifts the methodological focus to the inductive and qualitative. In contrast, the author's position of combining an objectivist view of ontology with a subjectivist view of epistemology thrives on multi-method approaches where there is room to utilize a diverse range of methodological techniques (Johnson & Duberley, 2000). In effect, representing a form of methodological pluralism (see McLennan, 1995) driven by an epistemological subjectivism:

"...Where no methodology can be construed as epistemically superior to the other - all are partial and fallible modes of engagement which simultaneously socially construct and occlude different possible renditions of an ontologically prior social - organisational reality."

(Johnson & Duberley, 2000 p. 168)

This chapter will describe the research design and the various methods employed for this research programme, including a justification of the methods used and a discussion of their potential benefits and drawbacks. First, the chapter illustrates some of the key debates surrounding the use of multi-method approaches to research. The chapter then proceeds with a discussion of the two exploratory phases of the fieldwork - focus groups and descriptive survey fieldwork - and culminates in an overview of the final phase of fieldwork, multiple case studies.

6.1 Methodological Overview

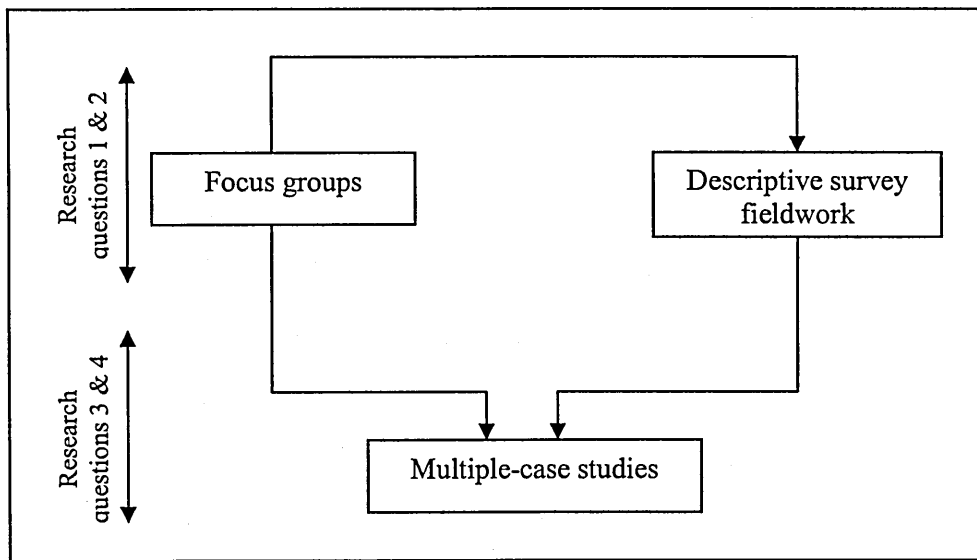
Despite the author's adoption of a multi-method research approach, it is acknowledged that multi-method research is not intrinsically superior to mono-method research; like mono-method research, multi-method research must be competently designed and conducted, and be appropriate to the research questions or research area concerned.

In order to investigate the aims identified in chapter 1, this study employed the following multi-method research approach:

- five exploratory focus groups to clarify the scope of the study and facilitate the development of appropriate themes for survey fieldwork;
- (descriptive) survey fieldwork with voluntary organisations operating across England and Wales to establish the wider relevance of the themes generated by the qualitative focus groups;
- multiple-case studies within four organisations that participated in the survey, employing document analysis, semi-structured interviews and observations.

It is important to note here, that the first two phases of research focused on research questions 1 and 2 and culminated in the development of the heuristic presented in chapter 8. The final phase of fieldwork gathered data that further supports and justifies the heuristic, but was designed primarily to address research questions 3 and 4. The following is a diagrammatic representation of how each of the individual methods contributed to the overall research strategy:

Figure 4: Research strategy overview



The justification for each of these methods and a detailed description of how they were utilised will be provided in sections 6.2, 6.3 and 6.4. The author proposes that the above programme of research offers a holistic analysis which remains underutilised in the domain of organisational change in the voluntary sector (see chapter 4), enabling an appropriate and comprehensive investigation of the central research questions. The qualitative and quantitative methods offer information that neither one alone could provide, and represent a balance between breadth and depth of data. In summary, such a strategy would seem to allow the various strengths of each method to be capitalized upon and the weaknesses somewhat offset. For example,

while the survey method may be the most effective way to discover the prevalence of issues or problems, focus groups and case studies are needed to understand more fully organisational member's experiences and theorise these experiences with a view towards change. The justification for utilising the focus group, survey and case study methods, followed by a detailed description of their use, is the focus of sections 6.2, 6.3 and 6.4 respectively.

6.2 Exploratory Focus Groups

The definition of a focus group is an area of much contention, and the growing popularity of group methods has led to a sometimes-confusing array of terms. Kitzinger & Barbour (1999) define focus groups as group discussions exploring a specific set of issues. It is important to note that focus groups are distinguished from the broader category of group interviews by the explicit use of group interaction to generate data:

“Instead of asking questions of each person in turn, focus group researchers encourage participants to talk to one another: asking questions, exchanging anecdotes, and commenting on each others' experiences and points of view. At the very least, research participants create an audience for one another.”

(Kitzinger & Barbour, 1999 p. 4)

Traditionally embraced most enthusiastically by market researchers, focus groups are now increasingly attracting attention within academia; “over the last few years there has been a three-fold increase in the number of focus group studies published in academic journals” (Kitzinger & Barbour, 1999 p. 1). However, Kitzinger & Barbour argue that a great deal of focus group work adopts a formulaic approach that fails to develop the full potential of this method and criticise those who uncritically adopt market researchers' models of focus group research. They contend that social researchers should adapt and expand such models to take into account their own purposes and theoretical traditions. Such contentions again suggest that the precise nature of any technique ultimately depends on the epistemological stance of the researcher, as argued in chapter 5. Secker et al. (1995) further support this notion by suggesting that the use of focus groups in social research has been characterised by a shift away from market research practices, due to an allegiance to the interpretivist rather than positivist paradigm.

One obvious practical advantage of the focus group over the individual interview is that greater amounts of information can be gathered in shorter and more efficient time spans (Krueger, 1994), which is an important practical consideration within the resource constraints of a PhD study. Moreover, the following possibilities have been attributed to focus group research, and were significant factors guiding the choice of focus groups as the first method within this three-phase research programme:

- group synergy may foster more creativity and therefore provide for a greater range of thought, ideas, and experiences (Vaughn et al., 1996);
- focus groups offer the opportunity to study the ways in which individuals collectively make sense of a phenomenon and construct meanings around it (Bryman, 2001);
- focus groups may be particularly useful when used to refine information previously known about a topic, or may be designed to elicit new insight and information about a topic by examining it from a new angle (Nassar-McMillan & Borders, 2002).

These possibilities mean that the focus group method was particularly appropriate for determining the scope of the research and beginning to address two of the central research questions guiding the study: how do the internal systems and external environment of voluntary organisations interplay to affect sustainability? and; how appropriate are existing voluntary sector models of organisational change for the study of sustainability?

Of course, the focus group is not without its limitations, and the above statements concerning the benefits of the method should not be treated as if they were static generalisations which are set in stone and apply to every focus group that is conducted. The data can be difficult to analyse, with huge amounts of data being produced very quickly. In addition, there are possible problems of group effects; this includes the obvious problem of dealing with reticent speakers and with those who dominate the discussions.

Every decision in the course of designing, conducting and analysing focus group research is interdependent, heightening the importance of critical engagement with both the theoretical and practical issues around group work. The remainder of this section thus considers data collection - including sampling, group size and composition, and the research setting - and data analysis. Further, it provides a

description of the decisions made in relation to the focus group research underpinning this study.

6.2.1 Data Collection

6.2.1.1 Sampling Strategy

Kitzinger & Barbour (1999) note that focus group studies range from work with just three or four groups to over fifty. The appropriate number of groups depends on the research question, the range of people the researcher wishes to include and, of course, time and resource limitations. With these issues in mind, and given that the group work represents the first phase of a multi-method research programme, five focus groups were conducted between April and June 2004: two with voluntary sector trustees; two with chief executive officers; and one with project officers. As the aim of the focus group research was to begin to explore how the internal systems and external environment of voluntary organisations interplay to affect sustainability and define the scope of the study, the topic guide was developed utilising a strategic-relational theory of agency and structure to elucidate participants ideas, beliefs and experiences of the interaction between structure and agency. A copy of the loosely structured topic guide is located at appendix 1.

In selecting the focus group participants, a non-probabilistic sampling method was favoured, as generalisation or representativeness in a statistical sense was not one of the objectives here. For this reason, probabilistic sampling is not necessary or even justifiable (Merriam, 1998). Recommended however, is purposive sampling, or in other words, selecting a sample from which the maximum can be learned. Employing this kind of qualitative sampling (Kuzel, 1992) allows the researcher to compose a structured rather than random sample, guided by the particular research questions they are addressing.

The participants for the focus groups reported here were selected from a database compiled from previous research considering the social and economic contribution of the voluntary and community sector in a South Yorkshire district (Coule, 2003a; 2003b). The sampling framework was based on the following criteria:

- Organisations that operate in South Yorkshire
- Organisations employing between 5 and 30 employees

- Organisations expressing some concern over the organisation's long-term sustainability within a previous research study.

Based on the above criteria, 34 organisations were selected and invited to participate in the focus group research. Although participation was initially secured from 26 participants across 17 organisations, due to last minute apologies 19 participants from 14 organisations actually attended one of the five focus group sessions.

6.2.1.2 Group Size and Composition

Recommendations regarding group size and composition in 'how to' guides to focus group research are often rigidly prescriptive. A prevailing attitude within the market research literature is that the ideal number of participants is between eight and twelve. However, Kitzinger & Barbour (1999) suggest that this number is too large for many sociological studies. Indeed, Morgan (1998) recommends small group sizes when participants are likely to have a lot to say on the research topic. For the focus group research reported here, confirmation from 5-7 attendees was secured for each of the five sessions. In practice, the groups ranged from 3 to 5 members.

Another perennial problem faced by focus group researchers, which is given a great deal of attention within much of the literature, is deciding whether to aim for homogeneity or heterogeneity among group participants. Kitzinger (1994) suggests that groups which are brought together on the basis of some shared experience are often most productive; however, she acknowledges that the differences between participants are often illuminating.

The five focus groups under review were homogenous in that they were composed of people who shared very similar roles, as either trustees, chief executives or project officers, yet heterogeneous in that they represented a very diverse range of organisations. The following provides a summary of the size and composition of each group:

- group 1 - three participants holding a trustee role
- group 2 - three participants holding a trustee role
- group 3 - four participants employed as chief executive officers
- group 4 - four participants employed as chief executive officers
- group 5 - five participants employed as project officers

A further design issue related to whether or not to work with people who already know each other. Many market research texts tend to insist on focus groups being held with strangers in order to avoid the polluting and inhibiting effect of existing relations between group members. However, some social researchers advocate using pre-existing groups – people who already know each other through living, working or socialising together. There are, of course, advantages to both strategies. The choice of whether to use pre-existing groups (from the same organisation) raises important ethical issues, as groups have a life beyond the research encounter and interaction in the research setting may have far-reaching consequences. This was another factor guiding the decision to structure the groups around the role of the participant rather than their organisation.

As with many other facets of focus group design, the guidelines relating to the last two issues overemphasise the extent to which the researcher can control for all characteristics of participants which are likely to be relevant. Some details are likely to emerge after discussions have been initiated. So whilst the decision had been made to structure the 5 groups around participant roles (recruiting across organisations rather than from within them), it only became apparent that some group members were previously acquainted after the session had commenced. Indeed, 4 of the 5 groups composed of a mix of strangers and people who had previously met. The other group consisted solely of strangers.

6.2.1.3 Research Settings

In addition to design and recruitment, the venue for group sessions needs to be considered. On a practical note, it is essential that the venue is easily accessible to potential participants. Kitzinger & Barbour (1999) suggests that people are more likely to attend the session if it takes place in a familiar venue (in this case, the premises of the umbrella body for the voluntary sector in the locality was used) rather than having to travel to an unfamiliar place (such as a university).

Concerns about selecting a suitable venue have led some writers to recommend “a neutral setting, where participants will not feel influenced by the surroundings” (College of Health, 1994 p. 86). It could however be argued that there is no such place and that researchers, instead of aiming for neutrality, should actually consider the different messages that are implicitly given to participants through the selection of

different venues. Questions about venue are thus, not merely technical or practical questions, but involve theoretical decisions about research aims. With these issues in mind, the focus groups reported here were carried out at a venue that was practically accessible and represented somewhere the group members could relate to.

A further issue, of a similar nature, is the location of the researcher in relation to group members and the topic of investigation. On the one hand, the effect of the researcher may be diluted because group participants are usually addressing other group members as much (if not more) than the researcher. On the other hand, the researcher's persona may be highlighted if the group members position themselves in relation to their collective identity and in opposition to the researcher's; this can happen when a perceived outsider runs a group. The group members in this research were aware of the author's role as a voluntary sector practitioner, in addition to her academic activities, and made numerous references to this within the discussions.

6.2.2 Data Analysis

It would appear that the technical task of analysing qualitative data remained a neglected topic until the 1980s, with a few notable exceptions, such as Znaniecki's (1934) text, *The Method of Sociology* (Frankland & Bloor, 1999). The silence about analytic techniques has now passed and many recent texts include detailed methods for analysing qualitative materials (see Silverman, 1993; Hammersley & Atkinson, 1995). However, there is perhaps one method that is an exception to this analytic instruction – the focus group. Possibly because the development of focus groups has, historically, been most prevalent within market research, explicit attention to analytic matters has been inhibited (Cunningham-Burley et al., 1999; Johnson, 1996). Many current texts on the focus group method are more concerned with issues of composition and conduct than with analytic techniques (see Morgan, 1988).

The five focus groups reported within this thesis were digitally audio recorded. The voice files were transcribed by a company specialising in audio transcription (and subsequently quality checked by the author) in order to provide an accurate and detailed record of the session, which would allow the assessment of issues such as whether certain individuals seem to act as opinion leaders. There is every chance that the nuances of language would be lost if the researcher were to rely solely on notes. Within the transcripts, the dialogue was annotated by the author in such a way that captured the atmosphere of the focus groups by noting when there was laughter, or

silences, or emphasis on certain words or phrases (see appendix 2 for an example). All focus group participants were supplied with and invited to comment on the transcript relating to their focus group session, and a paper drawing together the initial findings from the five exploratory focus groups.

The author has illustrated various possible analytical techniques for focus group data elsewhere (Coule, 2005), a summary of which was presented in table 5. The focus groups reported here were undertaken within a constructionist paradigm using an exploratory approach and the remainder of this section will highlight the two analytical techniques employed by the author: predominantly content analysis supplemented by some conversation analysis. Substantial attention will be given to these techniques as they also represent the method employed for analysis of the interview transcripts generated by the multiple-case studies in addition to the focus group data.

6.2.2.1 Substantive issues: content analysis

Researchers who advocate content analysis believe that it “retains something of the richness of transcript data, while ensuring that the great mass of data thus generated are analysed systematically and not selectively” (Frankland & Bloor, 1999 p. 145). This technique is based on qualitative data indexing (see Dey, 1993; Coffey & Atkinson, 1996), the purpose of which is to facilitate comparative analysis by gathering all data on a particular topic under one heading, in order to make the study of material manageable for analysis purposes.

It is important to note that indexing is distinct from the activity of exclusive coding of material in that there is no necessity, at the indexing stage, to settle on a final interpretation of an item of text; rather, each piece of transcript is assigned several, non-exclusive index-codes referring to the several analytic topics on which it may bear. The objective of indexing was simply to pose a number of possible interpretations; the emphasis in the indexing process is on inclusiveness rather than on exclusiveness. The indexing process is cyclical; new index-codes often emerged in later transcripts, requiring the author to return to earlier texts. Thus, indexing is essentially inductive and iterative in nature, with categories emerging from the analyst’s ‘hermeneutic absorption’ in the text:

“Recalling the events of the focus group itself, the analyst has a participant’s ‘pre-understanding’ of the transcript and understanding is deepened by

submersion in the text. Analytic categories are generated through this understanding and these categories, applied to the text, deepen analytic understanding, which stimulates greater elaboration of the analytic categories, which are in turn applied to the text. The process is not reductive: the data are retained in richness and context, but comparative analysis is facilitated.”

(Frankland & Bloor, 1999 p. 147)

The brief extract of data presented at appendix 2 illustrates how the method was applied to the focus group transcripts and is drawn from a section of the transcript relating to the opening question, which encouraged the participants to offer insights as to how they conceptualise organisational sustainability.

Following the indexing process, where the unit of analysis were segments of texts that contained a particular meaning, rather than individual words or phrases, attention turned to what Tesch (1990) refers to as a discovery or meaning-focused approach to analysis. This involved establishing patterns and connections among the individual segments of text and grouping together conceptually similar data to form categories in order to begin the process of theory building. A thematic approach was adopted, which involved a constant comparative method of classifying, comparing, grouping and refining groupings of text segments to create and clarify the definition of categories, or themes, within the data (Guba & Lincoln, 1985). Appendix 2 includes a table showing how a small sample of indexed data was subsequently categorised into themes. Also of interest, was comparing and contrasting the views on a certain theme held by different key groupings, particularly in terms of their organisational role (e.g. trustee, chief executive, paid staff, volunteer). Freehand sketching proved a valuable method for evolving theoretical ideas and establishing patterns embedded within and between different discourses.

Although content analysis takes account of some of the complexity of interaction in focus groups and challenges the notion that opinions and attitudes can be isolated from the conversational context in which they are generated, Myers & Macnaghten (1999 p. 173) argue that this technique:

“...Address the complexity of focus group data, while still leading to categories that can support a case to a client. A coding system may, for instance, allow for the overlapping frames of reference for one utterance. But such analyses, however fine-grained, lose much of the context (and content) of the interaction: why just this was said just then.”

Myers & Macnaghten therefore propose that, along with other kinds of analysis, more attention be given to focus group transcripts as talk.

6.2.2.2 Analysing focus groups as 'talk'

The preceding section has presented a brief overview of content analysis and suggested that this method addresses the complexity of focus group data, while still leading to the development of categories. However, other analysts (Beach, 1990; Kitzinger, 1994; Myers, 1998) have begun to focus on the complexity of interaction in group work. There are a number of approaches to conversation, including the traditions of conversation analysis (Antaki, 1994; Psathas, 1995) and discourse analysis (Wetherell & Potter, 1992; Burningham, 1995).

Researchers who favour such analytic techniques (Beach, 1990; Kitzinger, 1994; Myers, 1998) tend to do so because they believe that people say what they say, not in some "abstract sphere of opinion, but in a variety of particular settings and situations" (Myers & Macnaghten, 1999 p. 174), and that it is only through these specific settings that researchers have access to them. It may seem that topics for discussion within focus groups are set by the moderator's topic guide or schedule. However, examination of the transcripts from a conversation analysis perspective demonstrates how participants shift and evolve a particular topic, sometimes in unpredictable ways, so there are often several potential topics at play.

It can be seen from the example presented at appendix 3 that, at the beginning of each turn, participants acknowledge the topic (human resource sustainability), but, by the end of their turn, they have often introduced one or more new topics that are to be taken as related. Thus, the topic can shift as the discussion develops, while at each stage it remains relevant. Such a set of transitions is typical of many long passages in the transcript in which the author does not intervene; each participant marks their contribution at the beginning as relevant to the current topic, but within each turn, the participants can shift the context and interpretation for that topic. Those who advocate such analytic techniques argue that segmenting this flow into coded sections loses the connections and the way participants mark their contributions as appropriate at that particular point (see Myers & Macnaghten, 1999).

It is important however, to stress that those who advocate this analytic technique, often suggest that it is most effective when used along with other kinds of analysis.

For instance, the ultimate aim of the focus groups underpinning this doctoral research programme was to clarify the scope of the study and facilitate the development of key themes for a subsequent questionnaire. As such, the focus for the analysis was to shed light on substantive issues, whilst retaining as much of the richness and complexity of data as was practicable, something that would not be achieved through an exploration of the features of talk alone. Thus, content analysis was used to analyse what group members talked about, while conversation analysis focused on how they talked about it - contributing significantly to the development of the heuristic presented in chapter 8, which emphasises the interconnectedness of its components.

6.3 Survey Questionnaire

Surveys are generally used to obtain responses from a sample that can be coded with variable labels and statistically analysed, with the results being generalised to a wider population. Due to the nature of the questions asked and the process of analysis – for example, frequency counts, calculation of the mean etc - the survey is generally defined as a quantitative method, and is utilised to examine widespread social issues whereby the results of the sample can be generalised upon to reflect society as a whole (Westmarland, 2001). However, some social researchers have criticised or even rejected the quantitative approach (see Graham, 1983; Pugh, 1990; Graham & Rawlings, 1980), as it is seen as being in direct conflict with the aims of constructionist and relativist research.

The previous chapter has illustrated that knowledge has traditionally been measured by how objective it is deemed to be, in the belief that if the reliability, objectivity and validity rules are followed the truth will be discovered. If research does not conform to these rules or standards it is often criticised and dismissed as methodologically flawed – and hence ‘untrue’ (Westmarland, 2001). This statement is problematic in that it is not only saying objective research is desirable, but also assumes total objectivity is possible. McRobbie (1982 p.51) argues that “representations are interpretations... they employ a whole set of selective devices such as highlighting, editing, cutting and inflecting”. This highlights the idea that quantitative data, like qualitative is interpreted by researchers and therefore incorporates subjective acts within a supposedly pure objective analysis. Further criticisms relating to the use of surveys have often focused on the crudeness of survey questions and data, which are

arguably too simplistic to examine the complexity of social issues being addressed; Farran (1990) argues that rather than statistics being a representation of social reality, they are actually a construction of reality. She argues that statistics are “divorced from the context of their construction and thus lose the meanings they had for the people involved” (Farran, 1990 p.101).

Not all researchers located within the more subjective paradigms have argued against the use of quantitative methods in social research. For example, Jayaratne (1983) warns against a total rejection of quantitative methods, and O’Leary (1977) argues that to link research within the more subjectivist paradigms solely with qualitative methods simply reinforces traditional dichotomies that may not be in the best interests of such research. The arguments in favour of quantitative methods are strengthened by the many examples of their effective use (see Reinharz, 1992; Anderson et al., 1993). The author would argue that different social issues lend themselves to different research methods, and that as long as they are applied from an interpretive subjectivist perspective there is no need for the dichotomous quantitative against qualitative debates.

With this perspective in mind, it is important to note that the analysis of the quantitative data within this study will be limited to descriptive univariate and bivariate analysis and will not enter the realms of causality and statistical modelling. Moreover, in reporting the survey research, no claims of objectivity, reliability or validity will be made. The aim of the survey phase of the research was to look at the prevalence and distribution of particular issues surrounding the sustainability of voluntary organisations; ultimately building upon and addressing the same research questions as the focus group research. Such an aim would be extremely time-consuming, expensive and difficult to achieve on a national level using a qualitative method alone, hence the need for large-scale descriptive fieldwork. The themes in the questionnaire were developed as a result of the analysis of the qualitative focus group data. It is in this way, that the research process retains a largely inductive logic. Section 6.3.1 and 6.3.2 on data collection and data analysis respectively will illustrate how the author’s subjectivist perspective was applied to the survey method.

6.3.1 Data Collection

6.3.1.1 Sampling Strategy

A practical consideration guiding the choice of this method was the sample size and the geographical dispersment of the sample. There are however, a number of practical disadvantages of the questionnaire approach. For example: there is no one present to help respondents if they are having difficulty answering a question; respondents are more likely to become tired of answering questions that are not salient to them; and there is a greater risk of missing data (Bryman, 2001). One of the most damaging limitations is that surveys by mail questionnaire typically result in lower response rates than comparable interview-based studies. However, given that this data is for exploratory purposes and does not constitute the principal data-gathering tool, it was felt that the advantage of exploring the prevalence of the issues raised within the focus group research outweigh the disadvantages in this instance.

The final sampling frame for the survey fieldwork was generated through the Charity Commission's Register of Charities. As the focus of this research is small to medium sized organisations, it was necessary to provide the Charity Commission with a sampling frame in terms of income. By law, every registered charity with an income over £10,000 must submit an Annual Return to the Charity Commission, which includes details of each charity's 'method of operation'. As this research is concerned primarily with those organisations that provide resources, services, or infrastructure support it was also important to exclude organisations whose primary activity is some form of grant making. Thus, the sample was based on the following criteria:

- Charities operating in England & Wales (excluding those charities removed from the register)
- Charities with an annual income bracket of £155,000 - £950,000²
- Charities with classifications (taken from section A8, element 3 of the Annual Return) including codes 304, 305, 306, 307 & 309 only (provides human resources, provides buildings / facilities / open space, provides services, provides advocacy / advice / information, acts as an umbrella or resource body respectively).

² The income range was calculated based on an average salary of £23,053 per employee [this is the average salary for the voluntary sector umbrella organisation in Rotherham as of September 2004] for 5 to 30 staff, plus 37% [the average budget for a sample of local voluntary organisations after staff costs were removed (Coule, 2003a)].

The questionnaire (see appendix 5) was administered to an equal random sample of 1,176 organisations across England and Wales in each of the identified Annual Return classifications from a total population of 13,704 organisations. Sample organisations were sent a postal letter in February 2005, which informed them of the purpose of the survey, along with a copy of the questionnaire and freepost return envelope. After the original deadline had passed, a follow-up letter was sent to non-respondents.

Responses of an appropriate quality for analysis were received from 400 organisations, representing a response rate of 34% of the sample, and 3% of the total population. A profile summary of the survey participants - including organisational role, organisational age, human resources, and annual income - is provided at appendix 4.

6.3.1.2 Questionnaire Development

Graham (1983) highlights the subjectivity involved in composing questions for a survey in her article *Do her answers fit his questions?* Thus the questions not asked during the research process can influence findings as much as the questions asked; if a phenomenon is assumed not to affect a population there will generally be no relevant question included, hence suppressing and nullifying the experiences of the population studied (Westmarland, 2001). The significance of naming issues is described by Dubois (1983 p.108), who argues that:

“Naming defines the quality and value to that which is named. That which has no name, that for which we have no words or concepts, is rendered mute and invisible: powerless to inform or transform our consciousness of our experience, our understanding our vision; powerless to claim its own existence.”

Within the context of the exploratory phase of this research, which considers the appropriateness of existing voluntary sector models of organisational change for the study of sustainability, it was important to gain insights as to how focus group participants conceptualise sustainability. This was a key aspect of the initial focus group research which allowed the author to establish the scope of the research. Omitting this phase of the research and beginning with the survey fieldwork would have meant the author defining sustainability issues before designing the questionnaire. By doing so, the author would have implied that her definition of sustainability is more accurate (more true?) than participants' own definitions, and would have labelled their experiences for them.

The author's own definitions were therefore suspended in favour of exploring and utilising those of the participants. As such, the themes generated through the index coding and discovery-focused analysis of the qualitative focus group data, described in 6.2.2.1, were utilised to develop the 50 item questionnaire located at appendix 5. This process involved coding specific questionnaire items against the themes and major topics highlighted in the overarching focus group report to ensure questionnaire data would converge with that generated by the first phase of qualitative fieldwork. In brief, participants were asked to circle the category, on a scale of 1 to 5, which best reflected their attitude to a series of 48 statements relating to six themes: stakeholders and accountability; funding; core costs; human resources; governance; and partnership working. The questionnaire also included two open questions requesting information about any experience participants may have had, which threatened the long term survival or effectiveness of their organisation and any steps they had taken to ensure the long-term future of the organisation. By presenting the results of the focus group and survey fieldwork collectively, rather than in isolation, chapter 7 will further elucidate how the survey fieldwork converges on the issues raised by focus group participants.

6.3.1.3 Pilot Process

The questionnaire and survey process was piloted with a group of seven post-graduate charity fundraising students within Sheffield Hallam University. The pilot participants were sent a covering letter, questionnaire and a feedback form welcoming comments on any aspect of improving the questionnaire. However, the feedback form requested specific feedback in relation to: which questions, if any, were difficult to understand and why; the clarity of the instructions for completing the questionnaire; the appropriateness of the layout and length of the questionnaire; the relevance of the themes within the questionnaire and whether there were any obvious gaps/themes missing; and the content of the covering letter. Both the covering letter and questionnaire items were refined as a result of such feedback.

6.3.2 Data Analysis

The quantitative data generated by the questionnaires was analysed using the statistical software SPSS. This analysis was limited to descriptive uni-variate and bi-variate analysis. What is described in chapter 7 is simply the range of responses to individual variables and patterns within the sample; in reporting the data, the author

will not incorporate any form of generalisation to the wider population through hypothesis testing and/or statistical modelling. On its own, a purely descriptive analysis is (intentionally) limited; descriptive analysis can identify how often different issues or phenomena occur, but it cannot explain why they occur. The aim of this survey research is to indicate the prevalence and distribution of the issues raised through the qualitative focus groups in order to provide a macro-level analysis, and not to explain why or how organisational members act, think, believe or experience such issues.

The questionnaire also included two qualitative questions, the responses to which were transcribed and thematically indexed for content analysis. The survey data was also used to select appropriate case study organisations for the final phase of fieldwork.

6.4 Case Studies

The case study approach belongs to a relatively long tradition of research in the social sciences and continues to be used both in traditional disciplines such as history and sociology and in practice-oriented fields such as social work and education (Yin, 1994; Yin, 2003). This trend of continuous, albeit somewhat infrequent, usage continued through most of the 1980s; however, the primary emphasis in educational and social science research was on large scale quantitatively-based studies (Bachor, 2000). More recently, however, the popularity and frequency of case studies has increased (see Greenwood & Parkey, 1989; Baker & Zigmond, 1995; Billis, 1996; Ballard et al., 1997; Alcock et al., 1999; Scott et al., 2000; Glasby, 2001; Macmillan, 2003)

Defined by Yin (1994, p.13) as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident”, the case study has been found to have a number of advantages as a research strategy (Edwards & Talbot, 1999; Feagin, Orum & Sjoberg, 1991; Stake, 1995), in particular:

- it allows for past and present study;
- it permits an analysis of continuity and change over time;
- it provides a holistic approach which enables a detailed analysis of phenomenon to be studied; and

- it enables the generation of theoretical propositions that may be generalisable to other phenomena.

In a voluntary sector context, Scott et al. (2000) suggest that the case study approach can be long-winded, parochial, subjective, and full of ambiguous and contradictory material; yet, at the same time, it confronts and explores difference and complexity in ways which move beyond normative description. Feagin et al. (1991) suggest that the quintessential characteristic of case studies is that they strive towards a holistic understanding of cultural systems of action (sets of interrelated activities engaged in by the actors in a social situation). Yin (1993 p.3) argues that “the case study method is the method of choice when the phenomenon under study is not readily distinguishable from its context”. This is particularly the case when the boundaries between the phenomenon being studied and its context are unclear or when “the context is hypothesized to contain important explanatory variables about the phenomenon” (Yin, 1993 p.31). This one aspect is a salient point in the characteristic that case studies possess, and a major influence guiding the decision to use a case study approach for this research.

With regard to the voluntary sector, a case study approach has a number of specific advantages. Complex and multi-faceted, the voluntary sector is extremely diverse and has changed substantially over time. Against this background, a case study approach is a useful means of shedding light on such complexity since it enables the detailed exploration of a real life organisation, the way it has evolved and the factors that have helped shape its history and work (Macmillan, 2003). Indeed, the case study approach is popular with many voluntary sector researchers (See Billis, 1996; Alcock et al., 1999; Scott et al., 2000; Glasby, 2001; Macmillan, 2003). The case study approach makes a key contribution to our understanding of the complexity of voluntary action; it provides a detailed insight into the changes and dynamics of a voluntary organisation.

A frequent criticism of case study methodology is that its dependence on a single case (or a small number of cases) renders it incapable of providing a generalising conclusion (Tellis, 1997). However, Yin (1994) points out that generalisation of results, from either a single or multiple-case design, is made to theory and not to populations. In the familiar trade-off, the intention for this phase of the research has been the pursuit of depth rather than breadth, which leads to the possibility of a more

fine-grained understanding of how voluntary organisations approach developing strategies for sustainability and adapt to change. While the quantitative survey was useful in signalling wider trends, it does not lend itself to the analysis of the causal processes at work in individual cases. The greater depth, provided by the case study phase, allows more attention to be given to the micro-dynamics of strategy development, allowing a variety of different voices to be heard. As a result the case study approach has an inherent requirement to triangulate data from as many different sources as possible to provide “the best information available” (Edwards & Talbot, 1999, p.54), acknowledging the need to corroborate data from multiple sources while at the same time recognising that the researcher can only work with those sources of data available to them.

As noted previously, the exploratory phases of the fieldwork, involving the collection of both qualitative and quantitative data through the use of focus groups and a national survey questionnaire, focused predominantly on questions 1 and 2 within the overall research aims. By contrast, the case study phase of the research is tailored primarily towards questions 3 and 4 outlined in chapter 1, namely:

- How do voluntary organisations approach strategy development and in what ways do they relate it to organisational sustainability?
- How is strategy development influenced by the governance - HR system dynamic and how does this dynamic affect major resource decisions, the setting and safeguarding of mission and values, and the decisions regarding long-term goals?

6.4.1 Data Collection

6.4.1.1 Case Study Protocol

Soy (1997) suggests that the first step in case study research is to establish a firm research focus to which the researcher can refer over the course of study of a complex phenomenon. Yin (2003) concurs that the case study protocol is a vehicle for increasing the dependability (consistency of findings) of case study research, by guiding the researcher in carrying out the data collection from a single case study (as there are several single cases within a multiple-case study). The protocol is important in keeping the researcher focused and targeted on the subject of the case study. In addition, preparing a protocol forces the researcher to anticipate several problems, including the way that the case study report(s) are to be completed. The protocol was

therefore designed to review the key literature; guide the author's field procedures, addressing sampling strategy and data collection plans; target and formulate the case study questions; and outline the case study report, including issues pertaining to the target audience. The key themes within the protocol relating to sampling strategy, case study questions and data sources are summarised below.

6.4.1.2 Sampling Strategy

It may be possible that the research objectives could have been met by an intensive study of a single voluntary organisation. However, given the heterogeneity of the voluntary sector, as a 'loose and baggy monster' (Kendall & Knapp, 1995), the study of a *range* of organisations in different settings was deemed more appropriate and allowed some protection against findings that might be considered to have been purely idiosyncratic. A small range of cases (in this case four) allowed selection to proceed along dimensions that are thought to be of theoretical importance. In organisational terms this could be along criteria such as 'size' of the organisation (funding, human resources), aims and scope of the organisation, organisational structure and location.

The empirical component of the final phase of this research was thus framed as a set of four case studies, which were selected from a scoping exercise that involved the review of certain data from the exploratory survey sample. A long-list was drawn up of the responding organisations from the survey sample frame, with the additional criteria that they operated in the North of England for ease of access.

Cases were then selected to ensure a **range** of organisations on key criteria – particularly in terms of:

- a) the organisation's **length of existence** – given the claim by some authors that organisations can be identified at distinct stages in a 'life cycle' associated with their age of formation (Kimberly & Miles., 1980; Quinn & Cameron, 1983), the aim was to select cases which reflect a diverse range of ages. The four cases reported in chapter 9 had been in existence for between 8 and 77 years.
- b) the organisation's **funding arrangements** – the aim here was to select organisations with varying *levels* of annual income, *types* of income (e.g.

voluntary, earned, investment) and *sources* of income (e.g. individuals, public sector). The four cases had an annual income range of £500,000 to £850,000.

- c) the nature of **human resources** within the organisation – the aim here was to select organisations with different staffing arrangements in relation to scale and type (e.g. volunteer/paid). The four cases ranged from organisations with 7 to 40 paid staff and from 1 to 132 volunteers (excluding trustees).
- d) the **purpose/area of work** of the organisation – the aim here was to select organisations working in diverse areas or fields with differing orientations to their work. The key question is whether organisations work primarily with individuals, or with other organisations. The four cases included organisations working with people with learning disabilities; homeless people; offenders and their families; and an enthusiast museum.

Based on the above key criteria, a short list of six case organisations were selected and invited to participate by letter. Four organisations subsequently agreed to act as cases for the study, and the author liaised with a nominated individual within each organisation prior to the site visit in order to arrange interviews with key individuals - to include trustees, paid staff and/or volunteers - attendance at appropriate meetings, and access to documentary evidence.

6.4.1.3 Data Sources

The degree to which case studies are seen as a distinct methodology or research strategy (Yin, 1994; Yin 2003) or as a method of data collection (Blaikie, 2000) is a matter of some debate. The case studies reported here have been examined using a combination of what Dingwall (1997) refers to as ‘hanging out’, ‘asking questions’ and ‘reading the papers’. Thus, a range of different methods have been used, including semi-structured interviews; observations from ‘visits’ and meetings; and reading and analysis of organisational documentation, informed by the growing literature on qualitative methods in social research (Denzin & Lincoln, 1994; Hammersley & Atkinson, 1995; Coffey & Atkinson, 1996; Silverman, 2000 & 2001).

Some authors have claimed that semi-structured interviews “convey a deeper feeling for or more emotional closeness to the person studied” (Jayaratne, 1983 p.145) than some of the more traditional, so called objective research methods (see for example Westmarland, 2001). This, however, cannot be seen as an innate characteristic of all

interviews, but as dependent on the approach of the researcher to the interview process. Historically, mainstream textbooks have documented the way an interview 'should' be conducted, for example recommending distance between the interviewer and interviewee, not revealing the feelings or standpoint of the researcher, and not sharing knowledge (Westmarland, 2001). These guidelines have been questioned by interactionist sociologists such as Becker (1971), who suggests that interviews should be more conversational in nature. Moreover, others have argued that a close and more equal relationship to the researched can actually lead to an acquisition of more fruitful and significant data (Finch, 1984; Oakley, 1981; Greed, 1990). As with the focus group participants, the author was open with case study interviewees about her role as a voluntary sector practitioner, in addition to her academic activities.

Throughout the course of the four case studies, 23 interviews were conducted, recorded and transcribed. These included interviews with a range of sixteen paid employees/volunteers at various levels in the four case study organisations and seven trustees. Early interviews were largely investigative and resulted in emergent themes that were pursued in later interviews. Specific issues that arose in early interviews were also revisited with later participants in order to improve the robustness of the findings presented. There were also a number of less formal discussions including a number of induction / context interviews carried out during the early scoping phase of the case studies, where comprehensive notes were taken. These meetings were also used to request the documentation required for analysis including strategic plans; minutes of trustee board meetings; governing documents; annual reports; and other promotional material. Organisational documentation was extensive when aggregated together, but somewhat patchy between organisations – particularly in relation to the availability of strategic plans and minutes of trustee board meetings for two case organisations.

Interviews were supplemented by observation of activities and formal meetings and informal gatherings, with detailed notes being taken at the majority. The range of meetings includes early scoping meetings, staff lunches, project activities and a trustee meeting. Again, a report detailing the results of the multiple-case study research was sent to each participating organisation with an opportunity to comment.

6.4.1.4 Case Study Questions

A set of substantive questions reflecting the line of inquiry pursued with each of the case study organisations is located at appendix 6. The protocol's questions are, in essence, reminders to the author regarding the information that needs to be collected and why – their main purpose is to keep the study on track as data collection proceeds. In summary, the following questions were posed:

- a) Describe the organisation in detail, including its purpose (vision, mission & aims), the nature and amount of its funding, staffing levels (paid and unpaid) and governance arrangements, and how long it has been in existence.
- b) How did the idea for the organisation start – what were the original goals and target populations or areas for the organisation?
- c) In what ways is the organisation innovative, compared to other organisations of a similar kind or in the same geographic area?
- d) What is the nature, if any, of collaborative efforts between the organisation and other organisations of a similar nature or in the same geographic area?
- e) How does the organisation evaluate its activities and what are the measures being used?
- f) Describe the organisation's approach to funding its activities.
- g) How does the organisation approach strategy development and change management and what level of importance do members of the organisation attach to it?
- h) In what ways do organisational members relate strategy and change to organisational sustainability?
- i) What is the nature of the relationship between the Governance and HR systems of the organisation and how does this affect major resource decisions, the setting and safeguarding of mission and values, and the decisions regarding long term goals?

The table located at appendix 6 includes the above questions and the data source for each, ensuring that parallel information was collected at different sites within the multiple-case design wherever possible. The protocol's questions and the specific questions used as a topic guide with interviewees (also attached at appendix 6) support and extend the findings of the two exploratory research phases and the heuristic developed as a result of the focus group and survey research (presented in chapter 8).

6.4.2 Data Analysis

Case studies are often referred to as a triangulated research strategy, in that they are based on multiple data gathering techniques. This strategy is a deliberate one so as to develop a more complex understanding of the phenomena being studied (Rice & Ezzy, 1999). As Yin (1993, p.32) has suggested, the case study method:

Does not imply any particular form of data collection... the important aspect of case study data... is the use of multiple sources of evidence – converging on the same set of issues.

The importance of triangulation lies in the idea that gathering information from multiple sources (e.g. people, meetings, documents) in multiple ways (e.g. interviews, observation) will illuminate different facets of situations and experience and help to portray them in their complexity. Triangulation of data sources and methods thus permits comparison and convergence of perspectives to identify corroborating and dissenting accounts (Fossey et al., 2002). Interview transcripts were analysed using primarily content analysis (see section 6.2.2) and the documentation and observation notes were analysed for substantive themes, guided by the case study questions.

6.5 Summary

This chapter has not described interpretive subjectivist research methods, but rather research methods adapted for use within a social constructionist perspective. The notion of objectivity, which has traditionally been seen as a strength of quantitative research, has been challenged and the survey method has been shown to reflect the subjective knowledge of the researcher. Ultimately, this strengthens the author's stance by illustrating the false dichotomisation of objectivity and subjectivity, and of quantitative and qualitative methods. Without this unnecessary opposition the usefulness of multi-method research can be realised.

The author believes she has demonstrated the usefulness of quantitative methods in the naming of sustainability issues in the voluntary sector and also the usefulness of qualitative methods for both developing conceptual frameworks and delving further. Although a survey may be the best way to discover the prevalence of problems, focus groups and interviews are needed to understand more fully organisational member's experiences and theorise these experiences with a view towards change. Thus, a multi-method strategy would seem to allow the various strengths of each method to be capitalized upon and the weaknesses somewhat offset. As such, the programme of

research outlined here offers an analysis that strives towards a holistic understanding of cultural systems of action, enabling an appropriate and comprehensive investigation of the central research questions.

Having detailed how the research was deigned and carried out, the next few chapters examine some of the results. Chapter 7 presents the key results from the two exploratory phases of the research, displaying the emerging themes from the focus group fieldwork and the descriptive statistics from the subsequent survey questionnaire. Chapter 8 offers a discussion of this empirical exploratory data and presents a tentative heuristic for considering organisational sustainability in the voluntary sector. Chapter 9 then briefly introduces the case study organisations and provides a detailed presentation of the data from the final phase of research.

7 EXPLORATORY FIELDWORK RESULTS

This chapter presents the empirical data resulting from the exploratory focus group and survey fieldwork. The rationale for presenting the results of the two phases of exploratory fieldwork collectively, rather than in isolation is twofold. Firstly, it is conducive to the author's methodological approach of utilising the focus group research to explore how organisational members act, think, believe or experience sustainability issues followed by descriptive survey work to look at the prevalence and distribution of these issues (see chapter 6). Secondly, this approach should facilitate the reader in identifying the linkages between the exploratory empirical data and the heuristic presented in chapter 8 more readily than if the two sets of data were segregated in their presentation.

The chapter will begin by illustrating briefly how focus group participants perceive the complex nature of organisational sustainability in the voluntary sector. The chapter proceeds by placing sustainability within the external environment in which voluntary organisations operate, and then turns to sustainability issues at the level of organisational systems. Finally, the chapter culminates in the presentation of data pertaining to the ways in which organisations endeavour to overcome some of the barriers to sustainability. The empirical data presented here thus serves to focus primarily on research questions 1 and 2 of this thesis, as presented in chapter 1. Before proceeding, however, it is important to first note a number of salient points about the reporting of the data in this chapter.

7.1 Notes on Data Presentation

7.1.1 Phase 1 - focus groups

The focus group data presented here has been generated through the process of analysis described in section 6.2.2 for the five focus groups which took place (two with trustees, two with chief executives and one with project officers). The focus group data primarily focuses on the substantive themes from content analysis (see appendix 2), representing the output of within-group and across-group analysis, and will be reported here in a way that elucidates the commonality, and difference, of issues and opinions both within and between the five groups.

Thus, quotes from the transcripts are followed by a code identifying the role of the organisational member, which participant and which group the data originated from,

and whether the issue or opinion represented was supported by other participants (from within the same or a different group). For example, the code (Project Manager - P2: GE [P1: GA]) would imply that a project manager - participant 2 – in group E raised the issue, but that a similar opinion was also expressed by participant 1 in group A. This is to permit the reader to judge the evidential basis of the data selected for presentation, and ultimately the discussions and conclusions presented in later chapters.

Within this chapter, the narrative is annotated in an attempt to capture the atmosphere of the focus groups, by noting when there was laughter or emphasis on certain words or phrases. As noted in chapter 6, there is every chance that the nuances of language would be lost if the researcher had relied solely on textual content analysis. An important aspect here is not just what people said, but how they said it. The following transcription conventions apply to the focus group data presented:

- ***Bold italics*** = stressed syllables
- [] = comments added to transcription
- ... = pause

7.1.2 Phase 2 – descriptive survey

In terms of the survey, the data presented is based on 400 completed responses; a summary profile of the survey participants is located at appendix 4. Briefly, survey participants were asked to circle the category, on a scale of 1 to 5, which best reflected their attitude to a series of 48 statements (see appendix 5). The aim of this research phase was to indicate the prevalence and distribution of the issues raised through the qualitative focus groups in order to provide a macro-level analysis (see section 6.3 in chapter 6). What is described here is simply the range of responses to individual questionnaire items and patterns within the sample. Generally, a breakdown of the range of responses to a particular questionnaire item will be presented using the following format:

Q1 - The success of the organisation is dependent on the individuals who donate to our work	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	67	16.9	41.6
Agree	98	24.7	
Neither agree nor disagree	55	13.9	36.9
Disagree	80	20.2	
Strongly disagree	66	16.7	
Item not applicable	30	7.6	
Total	396	100	

The bivariate descriptive analysis reported here is intended to focus on patterns within the sample, focussing on associations between profile variables (e.g. organisational role of participant, organisational age, annual income, level of staff and volunteers) and specific survey items. These patterns will be highlighted in the main narrative and the detailed bivariate cross-tabulation tables evidencing these associations are located at appendix 7.

The chapter will also present the data from the two open questions within the questionnaire (see questions 19 and 50 at appendix 5), which requested information about:

- any experience participants may have had which threatened the long term survival or effectiveness of their organisation, and
- any steps they had taken to ensure the long-term future of the organisation.

This data will be presented in the form of direct quotes from completed questionnaires followed by an indication of the organisational role of the participant and the survey case number.

7.2 Conceptualising Organisational Sustainability in the Voluntary Sector: Participant Perspectives

In seeking to facilitate the development of themes for survey fieldwork (see chapter 6), and explore the appropriateness of existing voluntary sector models of organisational change for the study of sustainability - a key objective guiding this thesis - it was important to access the ways in which focus group participants conceptualise organisational sustainability:

...For me I suppose organisational sustainability means... really income generation to allow the organisation to function... in a way helping it to meet its strategic objectives and... an organisation that is independent, and does not necessarily rely on others in terms of its function and role.

(Chair - P2: GA)

...In addition to responding to aims and objectives... meeting the needs of well, anybody that's involved in it... any staff that are involved, the users and also the stakeholders.

(Chair - P1: GA)

A detailed presentation of the issues raised by participants in framing the concept of organisational sustainability will be the focus of sections 7.3 through 7.5. In contrast

this section is here as an introductory thematic overview of the detailed data that will follow.

Chapter 6 noted that even a cursory examination of the transcripts demonstrates how participants shift and evolve the context and interpretation of this topic, sometimes in unpredictable ways, so there are often several potential sustainability-related topics at play. On being invited to articulate their thinking about the nature of organisational sustainability in the voluntary sector, group narratives initially centred on substantive themes including human resource sustainability (Group A, B & E) and funding sustainability (Group A, B & E). However, participants often intertwined these concepts with cross-cutting themes relating to shared visions (Group A, B & C), independence and autonomy (Group A, B, C, D & E), organisational planning and development (Group A, C & D) strategic relevance (Group B, C & D), reputation and performance (Group B & C), collaboration (Group B & E) and the funding and policy environments (Group B). There is, therefore, a high degree of complexity associated with participant's notions of organisational sustainability, incorporating external (operating context) and internal (organisational) elements. It is to these issues the author will now turn through a detailed presentation of the data. For ease of presentation, the data will be organised into the themes of the focus group topic guide (see appendix 1), namely, the external operating environment; the organisational setting, and; the ways in which participants attempt to overcome some of the barriers to sustainability.

7.3 Sustainability and the (External) Operating Environment

Firstly, sub-section 7.3.1 presents data relating to the policy environment, particularly in relation to partnership working with the statutory sector. Sub-section 7.3.2 then considers issues of accountability to external stakeholders, namely regulators, service users and funders. Finally, sub-section 7.3.3 presents the data relating to networking and collaboration between voluntary organisations. The section is thus arranged around the key themes generated by the content analysis of the exploratory focus group data, which is supplemented by the reporting of both the qualitative and quantitative survey data. The quantitative data converge on the issues raised by 19 focus group participants, in order to assess their prevalence across the survey sample of 400 voluntary organisations.

7.3.1 A place at the table?

When considering the issue of organisational sustainability, the external operating environment remains a pre-occupation for focus group participants, often resulting in the relationship with statutory partners dominating the agenda, not just of organisations in receipt of public sector funding, but also for those engaged in 'partnership' working arrangements:

Whether we like it or not, we are all very dependent upon the partnerships we variously have with the public sectors, and that is getting more and more... we don't have to like it but... one has to learn to work with them in almost a 'political' environment to be able to succeed.

(Chair - P3: GB [P2: GD])

In this regard, there was - with one particular group member - a clear sense of frustration over the perceived loss of ownership in relation to the organisation's direction:

...Your mission has been hi-jacked... your vision has been... is someone else's.

(Chair - P1: GB)

Over half (51%) of survey participants believed that their organisation's success is influenced by its relationship with the public sector – almost the same proportion to those who felt the same way about the general public (55%):

Q45 - The success of the organisation is influenced by our relationship with the public sector	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	57	14.3	51.2
Agree	147	36.9	
Neither agree nor disagree	89	22.4	19.4
Disagree	54	13.6	
Strongly disagree	23	5.8	
Item not applicable	28	7.0	
Total	398	100	

Q6 - The success of the organisation is influenced by its relationship with the general public	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	77	19.3	55.1
Agree	143	35.8	
Neither agree nor disagree	79	19.8	19.3
Disagree	49	12.3	
Strongly disagree	28	7.0	
Item not applicable	24	6.0	
Total	400	100	

Participants from organisations with higher numbers of paid staff, and those which had been established for a fewer number of years, were more likely to report that their organisation's success was influenced by its relationship with the public sector (refer

to bivariate analysis in appendix 7 – Q45). In some cases, focus group organisations were dependent upon statutory partners for their very survival:

...Without the public sector, we would not survive. (Chair - P3: GB)

...Without support from them [statutory agencies] we wouldn't receive the referrals and we wouldn't actually be able to function. Without the referrals we do not have a job.

(Deputy Chief Executive - P2: GD).

Despite the general rhetoric of partnership, participants reported a feeling that partnerships can be somewhat tokenistic, with the conditions of the relationship being set by the more powerful statutory partners:

I think it's about how the local authority views the sector... we are seen as the poor relation and not professional. We can have a little bit of information but we "obviously wouldn't understand the bigger picture", so...I certainly feel patronised [participant 1 and 2 voice agreement]. It's not all the partnerships - even within the local authority - I've got some partnerships that I would consider to be really equal. But there is definitely...I feel there is inequality generally.

(Chief Executive - P2: GC [P2: GB])

...They will work with us in those areas that are supported by national strategy, but they don't necessarily give a plain commitment to working with us in terms of core, either their core or our core. They may well be happy to work with us in those areas where it allows them to draw in external funds, but they're not so happy about changing their...ways of working.

(Chief Executive - P3: GC)

A substantial proportion (42%) of survey participants – particularly chief executives and participants from organisations within the lower income brackets (refer to appendix 7 – Q47) were also of the opinion that the public sector only engages with the voluntary sector when it is supported by national policy:

Q47 - The public sector only engage with the voluntary sector when it is supported by national policy	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	44	11.2	42.1
Agree	121	30.9	
Neither agree nor disagree	144	36.7	
Disagree	45	11.5	13.3
Strongly disagree	7	1.8	
Item not applicable	31	7.9	
Total	392	100	

Furthermore, focus group and survey participants were acutely aware of how vulnerable local voluntary organisations can be in relation to shifts in government policy priorities, which can then translate to shifts in funding priorities:

Funders' priorities... local authorities... they're obviously working to government's agenda to a certain extent... and they kind of change from day to day really. The uncertainty, year to year, is no good for anybody really. The reason we're funded for instance, at the moment, is because Government said [organisations in our field of work] have to be funded.

(Chief Executive - P1: GC [P2: GC; P3: GC])

A change in government policy led to the loss of significant income and threatened the viability of the whole organisation.

(Acting Chief Executive, Survey Case 5)

[Local authority] funding is driven by central government policy, this means that services that can re-invent themselves readily do, but it doesn't make for optimum service provision.

(Clinical Services Manager, Survey Case 224)

We are currently reviewing our strategy and objectives in line with changes in the external environment. Government changes are planned for 2006.

(Chief Executive, Survey Case 129)

The view that their organisation is vulnerable to changes in government priorities was prevalent amongst 52% of survey participants:

Q46 - The organisation is vulnerable to changes in government priorities	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	67	16.8	51.9
Agree	140	35.1	
Neither agree nor disagree	100	25.1	18.6
Disagree	55	13.8	
Strongly disagree	19	4.8	
Item not applicable	18	4.5	
Total	399	100	

This opinion was particularly acute amongst chief executives, and those participants from organisations with higher numbers of paid staff (see appendix 7 – Q46). It was also evident within the focus groups that some degree of tension can exist between national and local priorities, heightening the complexity of the operating environment for voluntary organisations:

...Central government ... come up with these wonderful quick fixes to try to solve problems... and they will set a whole new range of guidelines and rules for those of us who are desperately trying to make the communities succeed, and then change dramatically and all of a sudden all the work you've done... because it's moving society in this direction then the other direction... is lost.

(Chair - P3: GB)

Thus, priorities which originate at a national level do not always translate into commitment and/or effective action at a regional or local level:

Our experience is of central Government changing the tax regime to the benefit of our sector. But the response to that has been for regional and local government to reduce their funding proportionally. Well, they've give us a huge administrative task but for potentially no actual real benefit because one hand has taken away what the other gave.

(Chief Executive - P3: GC)

Consequently, participants often located their organisation's potential for effectiveness against the quality of the funds they access and the coherence of the policy framework they inhabit. In this regard, 55% of survey participants felt that their organisation responds effectively to changes in the policy and funding environment:

Q17 - The organisation responds effectively to changes in the external (policy/funding) environment	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	34	8.6	55.2
Agree	184	46.6	
Neither agree nor disagree	105	26.6	11.9
Disagree	43	10.9	
Strongly disagree	4	1.0	
Item not applicable	25	6.3	
Total	395	100	

Again, this perception differed according to the organisational role of the survey participants, with 64% of chief executives feeling that their organisation was effective in doing this, compared with 53% of paid workers and 44% of trustees. Participants from organisations with higher numbers of volunteers were less likely to report that they respond effectively to changes in the external environment (see appendix 7 – Q17).

7.3.2 Stakeholders and issues of external accountability

Organisational stakeholders were seen as one of the most significant factors influencing organisational sustainability. Stakeholders were classed as “anyone who had a vested interest in seeing that your service is effective” (Chief Executive - P3: GD), and included service users, voluntary and community sector partners, statutory partners, regulators and funders. Voluntary organisations thus have a diverse range of stakeholders who can affect, or are affected by, the achievement of an organisation’s purpose, which calls for various types of accountability. This sub-section will focus on regulators, service users and funders, as statutory and voluntary sector partners have been or will be discussed elsewhere in section 7.3.

7.3.2.1 Regulation and accountability

Research participants were very aware of the need to improve accountability in relation to both the financial affairs of charities and reporting generally:

We have to have lines of accountability built in to our structures, which is fine, that makes us sustainable... I believe. We have lines of accountability, people can come and criticise us, we're open and democratic... all those things that are totally important in this country.

(Chair - P1: GB)

[We have put in place] better communication at executive committee level and improved information of activities to members; more consultation and interaction with members by setting special events for meeting and 'hearing'; improved the monthly newsletter detailing the activities of the organisation, and; established greater credibility with members and community at large by doing what we say and saying what we do.

(Trustee, Survey Case 101)

Charitable companies are required to be registered under both company and charity law and to submit accounts to both the Charity Commission and Companies House, which leads to duplication of time and costs. Thus, charities which previously chose and continue to be incorporated under the Companies Act 1985 face the burden of complying both with company and charity law, which can represent a serious strain on resources:

...The big factor for me about organisational sustainability is... the responsibility of an organisation on its board... meeting the requirements of the Charity Commission and Companies House.

(Chair - P1: GA [P3: GA])

Indeed, over half of survey participants reported that they invested significantly in complying with regulatory bodies such as the Charity Commission and Companies House, with 58% agreeing/strongly agreeing that this was the case:

Q21 - The organisation makes significant investment in complying with regulatory bodies (Charity Commission/Companies House etc)	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	69	17.4	58.0
Agree	161	40.6	
Neither agree nor disagree	90	22.7	17.7
Disagree	65	16.4	
Strongly disagree	5	1.3	
Item not applicable	7	1.8	
Total	397	100	

Generally, those participants from organisations with higher numbers of paid staff and those which had been established for a longer period of time were more likely to agree/strongly agree with the statement that the organisation invests significantly in

complying with regulatory bodies. This opinion was also more prevalent amongst chief executives (see appendix 7 – Q21).

However, the Charities Act 2006 introduced a new legal form, the Charitable Incorporated Organisation, which will enable a registered charity to receive the benefits of incorporation (such as limited liability of trustees) without also having to become a company, potentially remedying the problems arising from a dual regulatory regime. A number of survey participant highlighted the struggle experienced by their organisations in trying to meet the Charity Commission's requirements:

*Queries from the Charity Commission about working strictly within our Christian objectives seemed restrictive in a time of racial, ethnic and religious intolerance. The trustees of [the organisation] decided to opt out of charitable status on 31st December 2004 as they could no longer meet the Charity Commission's requirements and growing expectations – personal liability is a growing pressure.**

(Trustee, Survey Case 159)

We pay our CEO (our only employee) who is an ex-trustee. We did not have an Order and the resulting enquiry by the Charity Commission resulted in legal and accountancy costs that have nearly brought us to our knees. A simple Order has put things right but the inquiry took 3 years - UUGGHHH. We may have to shut down in 2 years because of the effects of the inquiry.

(Trustee, Survey Case 219)

In respect of meeting reporting requirements, having links to specialist (external) expertise in relation to accountancy and financial management was seen as an important asset:

Availability of expertise has a real impact [6 seconds silence]... and I suppose I mean external expertise. I'm thinking particularly of things like auditors and accountants and lawyers... the people that an organisation needs to have those links to.

(Chair – P1: GA)

However, it was suggested by the same participant that the appropriateness of external support is critical:

We actually used to have a very small company, and they did... for two or three years, they would not change the way they did it [prepared the annual accounts], and we kept getting letters back from the Charity Commission...

* Although this quote is useful in highlighting the issues that some participants experience in meeting the regulatory requirements set by the Charity Commission, the author acknowledges that it is not possible simply to 'opt out' of charitable status.

saying "you're not presenting the accounts in the way that we need it" and it was... kind of putting the charitable status into jeopardy really.

(Chair - P1: GA)

Both focus group and survey participants reported the challenge of reconciling the promotion of voluntary action with wider legislative demands and associated insurance costs:

...We have a drop-in every Thursday, and some of the people that started to come regularly wanted to start a football team. So one night a week we go out and play football. But at the last committee meeting they said are you insured for this? I said, what do you mean...our public liability will cover me won't it? But no, if anything happened it doesn't because it's not the main function of our organisation and I would be personally liable. So, of course, until I got some insurance sorted out [laughter from speaker and participant 2]...I stopped playing football. Well I paid for it myself actually because I was so worried about it. I didn't want to disband the team...it cost me a hundred and twenty quid. Thankfully, nobody had been injured in the meantime... otherwise I might not be sitting here [laughter from speaker].

(Chief Executive - P1: GC)

The costs of complying with government legislation e.g. external audit, health and safety etc represent a threat to our survival at times.

(Chief Executive, Survey Case 8)

We are particularly vulnerable to changes in the insurance environment, as we enable people with special needs to take part in what insurers class as high-risk activity.

(Chief Executive, Survey Case 23 [Survey Case 68])

7.3.2.2 Members, service users, communities and accountability

It would appear that there is a clear awareness of the importance of devising proper means of ensuring accountability, not just to funders and regulators of services but also to users. Indeed, focus group participants had particularly strong views about developing an internally democratic structure, ensuring user participation:

*I think it's more than consultation. Its **actual involvement** of service users in the development of the organisation, and how they actually feed into the management and board of the organisation. I think there is a whole big area that is actually about how you involve people to actually implement what you're doing... and that isn't necessarily at board level. We involve people in the interviews of staff... they're not just being consulted about how many staff we need, that's putting it quite flippant, but actually ... they do their own interview process with staff. So they're actually involved in that process. But **it's an involvement as opposed to consultation**... its how they're involved in the delivery of what's going on. I think it's really difficult to do that in lots of organisations...most organisations.*

(Chair - P1: GA [P4: GE; P2: GE])

When asked about any actions that had been taken to secure the organisation's future, a number of survey participants had taken measures to ensure accountability to the organisation's constituency:

We are proactive with our membership. We keep our commitments to our membership and we now have a development strategy to ensure we meet expressed need for services.

(Trustee, Survey Case 140)

Deep roots and links have been created into local communities.

(Chief Executive, Survey Case 365)

We have a highly effective trustee body all drawn from the membership.

(Chief Executive, Survey Case 211)

Service users were seen as one of the organisation's most important assets by 71% of survey participants:

Q5 - Service users are one of the organisation's most important assets	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	147	37.3	70.8
Agree	132	33.5	
Neither agree nor disagree	49	12.4	
Disagree	22	5.6	8.9
Strongly disagree	13	3.3	
Item not applicable	31	7.9	
Total	394	100	

However, 27% of survey participants reported that their organisation has few processes in place that allow service users to be involved in decision making process:

Q2 - There are few processes within the organisation that allow service users to be involved in the decision making process	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	20	5.1	26.6
Agree	85	21.5	
Neither agree nor disagree	71	18.0	
Disagree	134	33.9	47.3
Strongly disagree	53	13.4	
Item not applicable	32	8.1	
Total	395	100	

The perception of the importance of service users varied according to the organisational role of the participant, with chief executive officers and other paid workers expressing this view more frequently than trustees (see appendix 7 – Q5). The perception of how effective the organisation is at involving service users in decision making processes also appears to be influenced by the organisational role of the participant. Trustees reported that few processes were in place to allow service

users to influence decision making more frequently than chief executives and other paid workers (see appendix 7 – Q2).

7.3.2.3 Funders and accountability

In terms of funders, the survey found that 42% of participants stated that the success of their organisation was dependent on the individuals who donate money to their work; 45% on the financial support of charitable trusts; and 39% on generating income from trading goods and/or services:

Q1 - The success of the organisation is dependent on the individuals who donate money to our work	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	67	16.9	41.6
Agree	98	24.7	
Neither agree nor disagree	55	13.9	36.9
Disagree	80	20.2	
Strongly disagree	66	16.7	
Item not applicable	30	7.6	
Total	396	100	

Q3 - The success of the organisation is dependent on the financial support of charitable trusts	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	74	18.5	45.3
Agree	107	26.8	
Neither agree nor disagree	52	13.0	34.8
Disagree	75	18.8	
Strongly disagree	64	16.0	
Item not applicable	27	6.8	
Total	399	100	

Q4 - Our success is reliant on generating income from trading goods and/or services	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	61	15.4	38.6
Agree	92	23.2	
Neither agree nor disagree	51	12.8	40.1
Disagree	80	20.2	
Strongly disagree	79	19.9	
Item not applicable	34	8.6	
Total	397	100	

In a wider context, there was a feeling amongst some focus group participants that organisations that have become contractors to national and local government are heavily regulated by the terms of contracts:

The funding that we've actually applied for, for a specific purpose, and the outcomes of that... the outputs and the targets have been agreed and it's in line with our main objectives that we want to pursue. But the [other] one, we've got very little control of how the service develops and a lot of the monitoring requirements...they're good in terms of best practice and best value...we don't have a problem with that but...what I think is happening is that the long-term intention, which is to bring improvements in services, is

being hampered by the fact that the monitoring is becoming more and more onerous, and it's very difficult to meet the contract and staffing hours in terms of support because your staff are constantly being pulled off the support in order to do the monitoring.

(Chief Executive - P3: GD [P2: GC; P1: GD; P1: GA; P2: GA])

Ninety per cent of our funding comes from the ODPM [Office of the Deputy Prime Minister]. So we've got a contract [managed locally] that's very closely scrutinised and monitored. Our whole working week is ensuring that we work within the terms of the various contracts we've got. So we're working constantly to targets and outcomes that are set for us externally or that we've agreed with external organisations...we have a lot of externally set targets that we don't have control over. We're not independent at all really in that sense. We're answerable for some of or all of our funding basically...and to quite a few organisations, so...monitoring is an increasingly time consuming aspect of our work. Just last month the ODPM commissioned an external consultant who sent out questionnaires to 850 organisations. Ours went to 30 pages and that was the second one that we've had in two months...and that's not directly involved with the day to day running of the project, it's just about how our costing framework and staffing levels and all the support we offer fits in with the guidelines set down by the ODPM.

(Chief Executive - P3: GD)

However, this experience was not consistent across focus group participants, with individual organisations experiencing a high degree of variability in monitoring practices:

...We have a reporting structure where every six months we've got to make a sizeable monitoring internally. And that's fine, but we're also supposed to have regular progress meetings with them [the funder]. I've been here thirteen, fourteen months, so I should have had three and I've had one. And that was twelve months ago [laughter from speaker and participants 1 and 2]. So I got one within a month of arriving and haven't had another one since.

(Chief Executive - P4: GC)

*Well what we have had, they are, shall we say, ad hoc to say the least. I mean I have a meeting once in a blue moon basically, and we don't really go through the contract, or what we've achieved around the contract, it's like "what have you been doing? Are there any problems?" **Its public money...** as a citizen, I'm concerned about this.*

(Chief Executive - P1: GC)

Again, the perception regarding monitoring requirements was relatively mixed within the sample of survey participants with 43% feeling that the monitoring requirements of their funders were proportional to the amount of funding they received from them:

Q16 - The monitoring required by our funders is proportional to the amount of funding we receive from them	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	14	3.5	42.6
Agree	155	39.1	
Neither agree nor disagree	77	19.4	
Disagree	88	22.2	26.7
Strongly disagree	18	4.5	
Item not applicable	44	11.1	
Total	396	100	

This view was particularly prevalent amongst trustees (see appendix 7 – Q16). In relation to the performance evaluation agenda, focus group participants expressed a fear that the preoccupation with measurable outcomes and ‘objective’ evidence expressed by many funders, including the public sector and grant making trust, can place voluntary organisations in a position where they have performance and monitoring requirements which are at odds with their internal values and ways of working:

Sometimes when you're applying for funding, providers of the funding don't understand the nature of the work that you do, and they ask you to do things that in the situation we're working in could be quite difficult. For example, when you're working with someone who is quite distressed... over something that's happened to them, how do you ask them what they would class their ethnic origin to be? How do you ask them whether they consider that they have a disability? It's very difficult to line it up and it's difficult for the funder to understand... or rather, yes, we understand, but we still insist, and I don't honestly see how we can do it.

(Deputy Chief Executive - P2: GD [P3: GC])

...They [the funders] all want good news stories don't they? And the more hard to reach they are, the more sad the stories are, the more they want it. And I've sat sometimes and said "I'm not prepared to do this".

(Chief Executive - P2: GC)

The effect of funders' requirements in relation to organisational values is something to which the author will return in further detail during section 7.4.

It was felt by focus group and survey participants that sustainability, in terms of enduring impact for citizens and service users, can be undermined by many funders propensity to only want to fund ‘new’ activity rather than providing continuation funding for ‘proven’ projects or services:

Its part of the whole thing around continuation funding, isn't it? As you say, you're doing something which is really good and it really works and everybody agrees it's fantastic, but it's got to be innovative in order to get into a particular funding pot. It's that reluctance sometimes to continue

funding something which works...you've got to somehow tweak it to make it look sparkly and new.

(Project Officer - P3: GE [P1: GE; P4: GE])

The main problem is the funders being focused on specific projects and the organisation becoming a victim of its own success – funders tend to believe that success in your work means you are no longer reliant on their grants.

(Office Manager, Survey Case 4 [Survey Case 391])

Once the organisation became old and successful (but as a charity still requires 30% external funding) it became very hard to attract money. There is no core funding available. The re-working of ones activities to attract funding is time consuming. We keep our core team small because of raising salaries but this puts enormous pressure on the team. Organisations successful after 5 years should be able to apply for 'longer term' funding and consolidate valuable work.

(Chief Executive, Survey Case 48)

The survey found that 44% of survey participants felt that funders' preoccupation with funding new initiatives forces them constantly to 'reinvent the wheel':

Q10 - Funders' preoccupation with funding new initiatives forces us constantly to 'reinvent the wheel'	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	64	16.0	43.8
Agree	111	27.8	
Neither agree nor disagree	83	20.8	
Disagree	72	18.0	26.0
Strongly disagree	32	8.0	
Item not applicable	38	9.5	
Total	400	100	

Trustees were less likely to hold the view that funders' preoccupation with funding new initiatives encouraged their organisation to 'reinvent' the wheel in order to secure funding compared with chief executives and paid workers. This appeared to be a particular issue for those organisations with greater numbers of staff (see appendix 7 – Q10).

7.3.3 Networking and collaboration

When asked about any steps that had been taken in an attempt to secure the organisation's long-term future, a number of survey participants highlighted the importance of collaboration with others in the voluntary sector:

We are making attempts to work collaboratively with other key voluntary sector organisations and access joint funding eg; shared 'campaigns officer' etc.

(Chief Executive, Survey Case 21)

Networking, although time consuming, does reap its rewards with new and relevant partnerships.

(Chief Executive, Survey Case 149)

We undertake strong and tireless networking regionally, nationally and increasingly internationally.

(Chief Executive, Survey Case 183)

We've entered into 'consortium funding' bids to LSC [Learning Skills Council].

(Chief Executive, Survey Case 336)

In terms of prevalence amongst the survey sample, 45% felt that the success of their organisation is dependent on effective collaboration with other voluntary organisations:

Q48 - The success of the organisation is dependent on effective collaboration with other voluntary organisations	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	39	9.8	44.5
Agree	138	34.7	
Neither agree nor disagree	115	28.9	
Disagree	77	19.3	22.8
Strongly disagree	14	3.5	
Item not applicable	15	3.8	
Total	398	100	

This perception was most acute amongst chief executives compared to paid workers and trustees (see appendix 7 – Q48). Focus group participants also linked organisational success to the need for collaboration and partnership working between voluntary organisations, but highlighted that not all organisations are willing to take this approach:

*...There's certainly one area [locally] which is **notorious** for wanting to paddle its own canoe regardless of anybody else, and it's an absolute pain to do anything in that particular area. They will never succeed... and they've had some wonderful projects in that particular area [participant 2 voices agreement] ... which deserve to succeed, but because there was this sort of blinkers on approach...this is **our area**, and we are going to manage **our area**...doesn't matter about whatever else happens elsewhere in the area, and it's the wrong way to go.*

(Chair - P3: GB [P2: GB])

There was some suspicion within one focus group that collaboration may not be encouraged by the local authority, which could use the segregation as a method of control:

In many ways, that suits the local authority or the local commissioners, because if they keep you separate they keep you slightly diluted, and they keep you fairly cheap, because you're competing for the pot.

(Chair - P2: GB [P3: GB])

However, another survey participant described a situation where their main funder was actively pushing for a merger, which is opposed by the organisations involved:

There is an initiative to move our organisation to a new build arts centre/office building, sharing space with half a dozen like mind organisations. We strongly support this initiative with its potential for partnership working. At the same time there is a strong move by our lead funder, the Arts Council, to merge and rationalize these organisations into one. To this all the organisations oppose strongly – the possibilities for conflict here: self evident!

(Chief Executive, Survey Case 107)

Thus, whilst the importance of networking and collaborating with other voluntary organisations was recognised, it is possible that the competition created by diminishing grant funding, and an increase in contracting, may serve to undermine collaboration at a local level, as only the fittest survive:

...There's been a lot of collaboration on things like sharing policies and procedures and not trying to reinvent the wheel and developing groups to look at particular problems, particularly around funding and addressing them with the support of your colleagues. I think that what's happening both nationally and locally at the moment is actually working to undermine that because the whole funding structure that we've got is placing an increasing element on competitiveness and benchmarking of costs, and that inevitably has got to make projects think twice about the amount of information that we share with other projects. Competitiveness is becoming higher and higher on our agenda and that will inevitably, to some extent at least, impact on the extent to which we are able to collaborate with other projects.

(Chief Executive - P3: GD [P1: GD])

Almost half of survey participants (47%) felt that the competition created by diminishing grant funding may undermine collaboration between voluntary organisations:

Q49 - The competition created by diminishing grant funding may undermine collaboration between voluntary organisations	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	50	12.7	46.6
Agree	134	33.9	
Neither agree nor disagree	121	30.6	13.9
Disagree	44	11.1	
Strongly disagree	11	2.8	8.9
Item not applicable	35	8.9	
Total	395	100	

This perception was strongest amongst chief executives, but viewed as a less significant issue by trustees (see appendix 7 – Q49). Organisations within the lower income brackets were more likely to feel that collaboration would be undermined by diminishing grant funding than those with higher incomes. While some participants

had built up informal networks over a period of time, and found them valuable, there was some indication that a more 'strategic' approach would be beneficial:

If I've got a question around a policy or something or other...I want to be able to ring one person. At the moment I ring friends, colleagues who are in similar positions...but I would rather that was more strategic.

(Chief Executive - P2: GC)

This was particularly important as networking was seen as one of the ways in which organisations try to manage the uncertainty of their rapidly changing environment (Group C – all participants). Linked to this notion, was the role of and need for a strong voluntary sector infrastructure body at a local level; this was stressed as being an important issue for those organisations that do not have access to a national network or umbrella body (P2: GC; P3: GC).

7.4 Sustainability at an Organisational Level

Section 7.4 now turns to sustainability issues at the level of organisational systems. Sub-section 7.4.1 presents data relating to the explanatory system - issues relating to mission, vision and values. Sub-section 7.4.2 then considers issues of funding and financial management. Sub-sections 7.4.3 and 7.4.4 present the empirical data pertaining to the governance and human resource systems of voluntary organisations and, finally, sub-section 7.4.5 presents the data relating to the internal accountability system. Again, the qualitative data is supplemented by the reporting of quantitative survey data, which converge on the issues raised by focus group participants.

7.4.1 The explanatory system: mission, vision and values

Focus group participants clearly indicated that the outputs of funders can become a powerful influence on organisational activity and direction. The data presented in section 7.3 began to highlight how the changing relationship between the voluntary sector and the state means that some organisations, particularly smaller ones, are increasingly led by highly specified and demanding contracts or project outputs, some of which may conflict with internal values and ways of working:

I think sometimes we suggest to people that they do things, like go on a training course with us that maybe would not be in their best interest.

(Chief Executive - P2: GC [P2: GD])

If you've got a shared vision or shared objectives, there can be very effective [funding] partnerships, but you also get situations where you've been asked to meet six or seven outputs that may actually conflict with or disadvantage some

of the user groups. It's sometimes that you don't have a shared or agreed understanding of the needs that you were set up to meet.

(Chief Executive - P3: GCJ)

The view that funding should be sought strategically, and inline with organisational aims and objectives, rather than in an opportunistic, ad hoc fashion was prevalent amongst trustees and paid staff:

I think it's a case of having a vision and a plan...a development plan for the organisation. I think as well you need to ensure that your project has got a mission and a main vision and that funding runs along with it rather than actually veering off in the direction which funding could take you.

(Project Officer - P5: GE [P2: GE; P4: GE; P1: GA])

We innovate while remaining consistent in our philosophy and management of our work.

(Trustee, Survey Case 140)

One survey participant highlighted the risk of taking an opportunistic approach to funding:

We are responding and adapting to changes in government education policy and the funding of learning skills. Whilst changes provide new opportunities to support learners these can also cause the organisation to move away from some of its core activities, resulting in reduced products and services to providers and customers, this could threaten the long-term survival or effectiveness of the organisation.

(Development Officer, Survey Case 378)

A high proportion of survey participants (81%) stated that they would not apply for funding unless it fitted closely with the organisation's mission, and 84% felt that the majority of the organisation's funding related outputs and targets were in line with the organisation's aims and objectives:

Q8 - We would not apply for funding unless it fits closely with the organisation's own mission	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	135	33.9	81.4
Agree	189	47.5	
Neither agree nor disagree	34	8.5	6.3
Disagree	22	5.5	
Strongly disagree	3	0.8	
Item not applicable	15	3.8	
Total	398	100	

Q11 - The majority of our outputs and targets related to our funding streams are inline with the organisation's aims/objectives	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	113	28.5	84.4
Agree	222	55.9	
Neither agree nor disagree	32	8.1	
Disagree	4	1.0	1.0
Strongly disagree	0	0.0	
Item not applicable	26	6.5	
Total	397	100	

Paid workers were more inclined to state that the majority of the organisation's funding related outputs/targets were inline with the organisation's aims and objectives, compared with chief executives and trustees. Participants from more recently established organisations (up to 10 years old) also agreed more frequently that their funding related targets were inline with the aims and objectives of the organisation (see appendix 7 – Q11).

Continuing with the same theme, 11% reported that some of their funding objects or targets were in conflict with their internal values and ways of working; and 18% felt that they had little control over the targets/outputs relating to their funding streams:

Q12- Some of our funding objects are in conflict with our internal values and ways of working	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	6	1.5	10.8
Agree	37	9.3	
Neither agree nor disagree	49	12.3	
Disagree	163	41.1	70.6
Strongly disagree	117	29.5	
Item not applicable	25	6.3	
Total	397	100	

Q9 - We have little control over the targets/outputs relating to our funding streams	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	16	4.1	17.9
Agree	54	13.8	
Neither agree nor disagree	63	16.1	
Disagree	166	42.3	58.6
Strongly disagree	64	16.3	
Item not applicable	29	7.4	
Total	392	100	

Examining the responses to the above two questions in more detail, again highlights some key differences amongst the participants, with paid workers appearing more optimistic in relation to how much control the organisation had over its funding related targets and outputs when compared to chief executives and trustees (see appendix 7 – Q9). One focus group participant described the measures her

organisation had taken in trying to mitigate such a situation and achieve a balance between the agenda of the funder and the organisation's culture:

...We always try to get into dialogue with funders and kind of get them to understand why it has to be in this particular way as opposed to them dictating. There are always certain things they dictate, but...we've moved away by and large from numbers...and try to look at other ways of justifying our existence I suppose.

(Project Officer - P2: GE)

Interestingly, one quarter of the survey participants stated that their organisation was a professional agency that should not be dependent on charitable funding:

Q18 - Our organisation is a professional agency and shouldn't be dependent on charitable funding	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	30	7.7	24.5
Agree	65	16.8	
Neither agree nor disagree	80	20.6	41.5
Disagree	113	29.1	
Strongly disagree	48	12.4	
Item not applicable	52	13.4	
Total	388	100	

This view was most commonly reported by chief executives (29%). Perhaps unsurprisingly, participants from organisations with high numbers of volunteers were less inclined to agree with this statement. When asked about any steps the organisation had taken to secure its future, a number of survey participants reported developing a business-like approach:

We are implementing a new business model.

(Finance Manager, Survey Case 35)

Recruitment of a new chair who is an astute business man.

(Chief Executive, Survey Case 48)

Ensured that the organisation is run along commercial lines.

(Chief Financial Officer, Survey Case 193)

The concept of values thus presents challenges for managers and staff within voluntary organisations. Within the organisations itself, participants felt that it was particularly important for staff to buy in to the ethos of the organisation, and be enabled to feel some degree of ownership:

...Everybody needs to know where they are and where they're going in terms of their employment and that's got to fit in with the mission and the vision of the organisation.

(Chair - P1: GB)

I think that ethos and buying into it and focusing on it is really, really important. ...I think it's probably because you have more ownership rather than anything else in the voluntary sector.

(Project Officer - P1: GE [P4: GE; P5: GE])

...As somebody who used to teach, in the statutory sector you're very much a small cog in a very large machine and you do feel quite limited in what you can influence on a day to day basis and on a far bigger scale. Whereas, I think for many of us it's, as you say, it's about ownership in the sense that you can actually make differences and you can make changes and your views are listened to, as well as the service users views.

(Project Officer - P3: GE)

The survey found that 93% of participants felt that most of the organisation's staff are committed to the overall values of the organisation:

Q32 - Most staff are committed to the overall values of the organisation	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	187	47.1	92.9
Agree	182	45.8	
Neither agree nor disagree	8	2.0	0.5
Disagree	2	0.5	
Strongly disagree	0	0.0	
Item not applicable	18	4.5	
Total	397	100	

However, this perception differed according to the organisational role of the survey participants. Trustees were less likely to agree that staff were committed to organisational values (84%) as opposed to 98% of chief executives and 96% of paid workers. In addition, participants from longer established organisations were less likely to report that staff are committed to organisational values (see appendix 7 – Q32).

7.4.2 The funding and financial management system

Almost every organisation represented within the focus groups reported financial constraint and uncertainty. Thus, the development of new projects was reliant on the piecing together of supplementary funding packages and funding remains a constant pre-occupation for trustees and staff:

...You have to be able to jigsaw and that virtually means picking up funding nine months into another piece of funding and being able to blend the two and make it work for both funders. Because you've got two... lines of accountability and responsibility there, and in terms of your office staff, you have to be careful how many lines of accountability you bring in on one project. A lot of those problems are what impact on ... trustees, and staff and volunteers.

(Chair - P2: GB)

When funding was obtained, focus group and survey participants reported that it often did not reflect the total cost of providing the service, and that many funders are unwilling to contribute to the core costs of an organisation, which was of major concern to those who attributed great importance to an effective core function:

...One of the things that really irks me, is the attitude taken by many of the funders, not all, but many of them, both public and independent, towards core funding. And that is crazy, because, at the end of the day, they can provide organisations with a lot of money and they must be satisfied... they surely must need to be satisfied that the money's going to be properly used and looked after... and you can't properly use and look after it unless you've got the right set up at the centre to do just that. It is ridiculous.

(Chair - P3: GB)

For my organisation one of the problems is, daft though it sounds, we get cash through for our staff but we don't get any money to have a building, to pay rent, pay for the telephones etc, and that becomes... increasingly difficult.

(Deputy Director – P2: GD [P1: GD; P1: GE; P4: GE])

It is very often not possible to get funding for infrastructure (management and admin) which is essential. Lack of core funds threatens long-term survival.

(Project Manager, Survey Case 100 [Survey Case 152; 174; 299; 386; 393])

Lack of core funds and too many restricted grants [threatens our long term survival]. Donors of all types (government, trusts, individuals) have no understanding of the need for core funding – they just want people who innovate and exciting projects. They forget that the basics need supporting – staff, premises, website, basic information.

(Chair, Survey Case 398)

Over half (56%) of survey participants reported experiencing difficulties in resourcing the organisation's core costs (e.g. management and infrastructure):

Q20 -The organisation has difficulty in resourcing its core activity/costs (e.g. management and infrastructure)	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	77	19.4	55.9
Agree	145	36.5	
Neither agree nor disagree	50	12.6	28.7
Disagree	87	21.9	
Strongly disagree	27	6.8	
Item not applicable	11	2.8	
Total	397	100	

This perception was reported most frequently by employees - 66% of chief executives and 57% of paid workers agreed/strongly agreed that this was an issue, compared with 42% of trustees. Those participants from organisations with higher numbers of paid staff agreed/strongly agreed more frequently that their organisation has difficulty in

resourcing its core activity/costs than those with fewer staff (see appendix 7 – Q20).

Thus, full cost recovery appears to remain an issue:

Insufficient reserves, late payments, cash flow difficulties, inability to get full cost funding for projects [has threatened the organisation's future].

(Chief Executive, Survey Case 141)

Indeed, 50% of survey participants reported that the funding they secure for delivering services and projects almost always reflects the total cost of providing the activity, whilst well over one quarter (28%) felt this was not the case:

Q25 - The funding we secure for projects/services almost always reflects the total cost of providing the activity	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	39	9.8	49.7
Agree	158	39.9	
Neither agree nor disagree	59	14.9	27.5
Disagree	90	22.7	
Strongly disagree	19	4.8	
Item not applicable	31	7.8	
Total	396	100	

Those participants from organisations with higher levels of annual income reported that they achieved full cost recovery less frequently than those with lower levels of income. However, some survey participants reported the measures they had taken in relation to full cost recovery within their organisations:

We have undertaken full cost recovery analysis and we are feeding this into our long term strategic planning.

(Finance Manager, Survey Case 35)

We now attribute support costs to restricted projects where appropriate and aim to recover full costs.

(Chief Executive, Survey Case 41)

It may follow that voluntary organisations are more likely to prioritise their resources towards activity where the penalty for failing to meet them is the most immediate. For example, survey participants were more likely to report significantly investing in complying with regulatory bodies such as the Charity Commission and Companies House (58% - see page 117) and servicing the fundraising process (49%) than investing in premises (36%) and equipment (35%):

Q22 - The organisation invests a great deal of time servicing the fundraising process	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	52	13.2	48.5
Agree	139	35.3	
Neither agree nor disagree	67	17.0	29.2
Disagree	81	20.6	
Strongly disagree	34	8.6	
Item not applicable	21	5.3	
Total	394	100	

Q23 - The organisation invests significant amounts of money in premises	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	37	9.3	36.1
Agree	107	26.8	
Neither agree nor disagree	52	13.0	46.9
Disagree	116	29.1	
Strongly disagree	71	17.8	
Item not applicable	16	4.0	
Total	399	100	

Q24 - The organisation invests significantly in equipment	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	19	4.8	34.6
Agree	119	29.8	
Neither agree nor disagree	94	23.6	39.3
Disagree	119	29.8	
Strongly disagree	38	9.5	
Item not applicable	10	2.5	
Total	399	100	

The view that the organisation invests a great deal of time servicing the fundraising process was reported more frequently by chief executives with 60% agreeing/strongly agreeing compared with 48% of paid workers and just 38% of trustees. Participants from organisations with higher levels of human resources, both volunteers and paid workers, reported investing significant time to the fundraising process more frequently than those with lower numbers of staff/volunteers, as did participants from younger organisations (see appendix 7 – Q22).

In relation to premises, organisations which had been in existence for a longer period of time appeared more likely to invest in such areas than the more recently established organisations. Significant investment in premises and equipment was associated with higher levels of annual income. Those organisations with higher numbers of paid staff reported significant investment in both premises and equipment more frequently than those with fewer staff (see appendix 7 – Q23 and Q24). Indeed some survey participants reported explicitly investing in premises as part of their strategy for sustainability:

Up to this point we have concentrated on raising funds for the purchase of buildings. We now own three properties and are self-sufficient in meeting our running costs from the rents charged for rooms.

(Warden, Survey Case 312)

Over the past 5 years we have steadily increased the number of user groups/tenants in over 3 premises who, together with our own delivery of services, have taken our capacity to its maximum. Thus in order to provide the additional space that we are constantly being asked to provide we have been examining the use to which we put our sites and concluded that redevelopment is the way forward. That process will also eliminate structural

problems affecting our buildings, provide more usable space and move us significantly towards financial self sufficiency and independence from voluntary/public sector grants.

(General Secretary, Survey Case 72)

Focus group and survey participants also raised concerns in relation to some funders' attitudes towards reserves. It was felt that, whilst the Charity Commission recommends that all charities adopt a reserves policy, there is a lack of commonality between funders in relation to this matter:

If you've got that [reserves] other funders will be saying... they won't fund you.

(Chief Executive - P2: GC [P1: GC])

Over a number of years we have delivered services through Service Level Agreements with our local authority. Their insistence about 8 years ago that we reduce our level of reserves (our money, not theirs) or they would not fund us again, put us in a very difficult situation. In hindsight they had no "authority" to dictate this, but it was before my time. I would challenge and resist such requests now.

(Chief Executive, Survey Case 217)

A number of survey participants reported increasing their reserves as a means of improving their future prospects:

We're holding sufficient reserves to ensure any unforeseen events do not kill off the operation.

(National Secretary, Survey Case 253; 25; 26; 146; 172; 327)

Additionally, focus group and survey participants were acutely aware of the burden represented by continuously searching for funding opportunities, and the subsequent management of any monies that are secured:

When I do bids for money from say Community Fund, really I'm spending my time doing that when really I should be working on the contract with the local authority. So it's not easy to actually get other funding.

(Chief Executive - P1: GC [P3: GC])

We have applied for and obtained more 3 and 5 year funding arrangements, but the impact of this is detrimental to short term activities/cash flow, since current activities suffer when time is spent on funding applications and development.

(Chief Executive, Survey Case 320)

The fact that we get our funding from quite a range of different funders, each of whom have their own requirements, means that it's very difficult to put single application and monitoring systems in place that meet all those requirements. You've got to duplicate a lot of work to get the same information in different forms.

(Chief Executive - P1: GD [P1: GA; P2: GA])

In terms of the prevalence of this perception, a notable proportion of survey participants expressed the view that staff often struggle to provide services/activities and meet the monitoring requirements of funders, with 29% of participants holding this view:

Q34 - Staff often struggle to provide services/activities and meet the monitoring requirements of funders	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	20	5.1	29.4
Agree	96	24.3	
Neither agree nor disagree	76	19.2	39.7
Disagree	130	32.9	
Strongly disagree	27	6.8	
Item not applicable	46	11.6	
Total	395	100	

Focus group and survey participants highlighted the importance of analysing power and independence in relation to their income portfolio, and argued that an over reliance on one major funder often represents a potential sacrifice to the organisation's independence:

You're not allowed to be entrepreneurial, you're not allowed to grow, you have to stick within the black and white... you can't change, you can't move... not unless you go through a very complicated re-tender, and normally that's a no-goer because their answer is... but we [the local authority] don't want that.

(Chair - P2: GB)

You can't really diversify that much when you have the main commitment to them [the local authority] ... it's difficult.

(Chief Executive - P1: GC)

We depend currently on a large donation from one source which has not been as able as in previous years to support us. Hence it is vital for any charity to have a diverse range of funding.

(Chief Executive, Survey Case 350)

A number of survey participants stated that they had diversified their income streams as one method of securing their organisations long term future (Survey Case 33; 115; 179; 262; 329). The survey also found that 69% of survey participants felt that organisations that do not have a diverse range of funding streams generally are at risk of sacrificing their independence:

Q7 - Organisations which do not have a diverse range of funding streams are at risk of sacrificing their independence	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	95	23.8	68.6
Agree	179	44.8	
Neither agree nor disagree	65	16.3	11.0
Disagree	38	9.5	
Strongly disagree	6	1.5	
Item not applicable	17	4.3	
Total	400	100	

This feeling was more acute among chief executives and paid workers than trustees (see appendix 7 – Q7). There was some concern amongst focus group and survey participants that a heavy reliance on (local or national) government funding may compromise an organisation's ability (or willingness) to exercise its lobbying function:

I think that a lot of the work the voluntary sector does needs doing and would normally be done by the local authority in the old days. It's because of...best value... that they get it cheaper by letting it out to other groups. It might be useful for central government to give a certain block of funding over to an organisation such as the Lottery to distribute for all those other things that aren't really the responsibility of the local authority. Which would be very, very good to have on a truly independent basis...because our biggest problem is the independence side of it. We are independent in that usually our main opponents are the local authority. But we certainly take a lot of flack for that, directly and indirectly...if we just got our funding through to make us totally independent, we could make their lives a misery, you know?

(Chief Executive - P1: GC [P3: GD; P3: GC])

Until 1990 we use to receive a substantial grant from [the local] council. Then due to a dispute about a political issue concerning [name of country], where we came from, the grant was low and we had to rely totally on volunteers to survive the council's onslaught.

(Artistic Director, Survey Case 92)

In terms of income profile, the survey highlighted that a large proportion of the organisations across the entire sample (71%) agreed/strongly agreed that they were heavily reliant on donated or grant income:

Q13- The organisation relies heavily on donated/grant income	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	155	38.9	70.8
Agree	127	31.9	
Neither agree nor disagree	25	6.3	20.9
Disagree	52	13.1	
Strongly disagree	31	7.8	
Item not applicable	8	2.0	
Total	398	100	

Participants from organisations with higher levels of volunteers reported a heavy reliance on grant or donated income more frequently than those with lower volunteer

numbers – just 52% of participants from organisations with no volunteers agreed/strongly agreed that their organisation was heavily reliant on this source of income (see appendix 7 – Q13).

A substantially lower proportion (37%) of participants across the sample reported that their organisation generated significant income from trading goods and/or services:

Q14- The organisation generates significant income from trading goods and/or services	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	41	10.3	36.7
Agree	105	26.4	
Neither agree nor disagree	46	11.6	44.5
Disagree	101	25.4	
Strongly disagree	76	19.1	
Item not applicable	29	7.3	
Total	398	100	

Participants from organisations within the £295,000-£440,000 income bracket agreed to this most frequently, as did those organisations with fewer volunteers (see appendix 7 – Q14).

A substantial proportion of survey participants (62%) felt that the organisation had an appropriate balance of restricted and unrestricted funds:

Q15- The organisation has an appropriate balance of restricted / unrestricted funds	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	35	8.9	62.3
Agree	211	53.4	
Neither agree nor disagree	68	17.2	16.2
Disagree	54	13.7	
Strongly disagree	10	2.5	
Item not applicable	17	4.3	
Total	395	100	

Organisations that had been in existence for longer periods of time reported having an appropriate balance more frequently than younger organisations (see appendix 7 – Q15). Survey participants highlighted the issues that can arise from an inadequate balance of restricted/unrestricted funding:

Within the funding culture of 1-3 year cycles we find it really difficult to attract funding that is not restricted. This means we have a difficulty in 'growing the organisation' and financing our important core work that so many socially excluded women access and say they need.

(Regional Director, Survey Case 225 [Survey Case 66])

We have become a victim of our own success. Known for providing excellent services for our users, we're constantly asked for more and more so funding –

unrestricted - is becoming a problem to meet everyone's needs.

(Founding Chairman, Survey Case 83)

We ran out of lottery funding and had to make 3 staff members redundant – even though overall we had the funds to keep them on they were restricted.

(Company Secretary, Survey Case 318)

7.4.3 The governance system

The pressures on board members to ensure that their organisation is effective have never been greater. This comes at a time when governing bodies are finding it increasingly difficult to recruit and retain new members, particularly if they are not seen locally as 'high profile and prestigious' organisations:

There is a desperate shortage of people who are prepared to take on trusteeships at our sorts of organisation. I mean, I'll be self critical now, my organisation which is really quite a large organisation now. It's a big organisation and yet we've only got three trustees [laughter from speaker]. Really, it's appalling, and we've tried. We were roundly criticised by the lottery board on the constitution of our trustee board on just about every criteria you could think of, be it sex, colour, race, anything... but where do you find them? And I am not prepared to take on people on my trustee board, just for the sake of ticking a box.

(Chair - P3: GB [P2: GB])

One survey participant described the importance of a succession strategy for the trustee board:

It will be essential to recruit new trustees in the future to replace existing older trustees and we are constantly mindful of this, one new trustee has been recruited within the past year with a view to taking over our financial affairs in due course.

(Company Secretary, Survey Case 199)

The survey also found that recruiting new trustees is becoming increasingly difficult for a notable proportion of organisations (with 44% of survey participants feeling this way):

Q39- It is increasingly difficult to recruit new trustees	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	60	15.0	44.3
Agree	117	29.3	
Neither agree nor disagree	97	24.3	
Disagree	93	23.3	29.6
Strongly disagree	25	6.3	
Item not applicable	7	1.8	
Total	399	100	

This view was particularly prevalent amongst those participants from organisations with higher numbers of paid staff (see appendix 7 – Q39). A number of focus group participants expressed concerns in relation to the diversity of board composition:

We'd like to recruit more people to it [the board] if we could. Currently, we've only got one woman on our board...we'd like more women on the board just because we'd like a better balance. We'd like, ideally, to have some younger people on our board as well because we're quite a long-standing organisation a number of our board members are retired now. But it's not that easy to just go out and find people with the time and the commitment.

(Project Officer - P3: GE)

...In terms of funding streams, some funders like you to have various people, you know, a little tick-box of people on your board. And if you don't have somebody from the BME community, 50% male, 50% female, then you don't get the funding.

(Project Officer - P5: GE)

A substantial proportion of survey participants (66%) agreed/strongly agreed that the organisation has a diverse range of people on the board:

Q41- We have a diverse range of people on our board of trustees	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	49	12.3	65.7
Agree	213	53.4	
Neither agree nor disagree	72	18.0	15.0
Disagree	50	12.5	
Strongly disagree	10	2.5	
Item not applicable	5	1.3	
Total	399	100	

Some survey participants reported recruiting a diverse board as a deliberate strategy of their organisation (Survey Case 370; 176; 89; 141).

There was a perception amongst some focus group participants that it is often the 'usual suspects' who are sat on committees and that there is a great reliance on just a few core individuals who dedicate their time on a voluntary basis, which can carry personal risks:

I'm busy enough in my professional life, personal life's got enough going on, but to do the voluntary stuff as well... at the end of the day you're thinking... Mm, there are risks here. Because once you're on board it's like thinking, if I leave who's going to take my place?

(Chair - P1: GB)

The survey found that a substantial proportion of participants (62%) agreed that the effectiveness of the board was reliant on just a few core individuals:

Q42- The effectiveness of our board is reliant on just a few core individuals	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	52	13.0	62.3
Agree	197	49.3	
Neither agree nor disagree	54	13.5	23.8
Disagree	84	21.0	
Strongly disagree	11	2.8	
Item not applicable	2	0.5	
Total	400	100	

This view was particularly acute amongst trustees themselves (see appendix 7 – Q42).

There was some suggestion that trustees with specialist skills can prove a useful asset to a voluntary organisation:

...They're bringing in expertise from their professional and personal experience. For instance, if you're dealing with issues to do with staffing, in terms of grievance, or discipline, or so on, if you have someone on the Board who's got human resource experience that's obviously going...that's essential. Similarly, if you've got people who've got contacts within the systems that you're working in.

(Deputy Chief Executive - P2: GD)

We have recruited a broad mix of trustees with existing professional skills to develop our effectiveness.

(Acting Chief Executive, Survey Case 5 [Survey Case 13])

Some research participants articulated the importance of developing trustees in their role:

Then there's the training for the board [participant 1 voices agreement accompanied by laughter]. That's important [5 second silence]...in roles and responsibilities it's essential.

(Chair - P3: GA)

We have invested in the development of an effective board.

(Finance Manager, Survey Case 35 [Survey Case 260])

In this regard, the survey found that although 87% of participants stated that their board of trustees is an important factor in the organisation's long-term success, just 26% report that they invest in developing trustees' skills and expertise:

Q38- The board of trustees is an important factor in the organisations long term success	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	169	42.3	87.3
Agree	180	45.0	
Neither agree nor disagree	39	9.8	2.8
Disagree	10	2.5	
Strongly disagree	1	0.3	
Item not applicable	1	0.3	
Total	400	100	

Q40- The organisation invests in developing its trustees' skills and expertise	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	11	2.8	25.6
Agree	90	22.8	
Neither agree nor disagree	153	38.7	32.4
Disagree	116	29.4	
Strongly disagree	12	3.0	
Item not applicable	13	3.3	
Total	395	100	

Further analysis of these responses suggests that those participants from organisations with lower levels of annual income were more likely to report that the board of trustees is an important factor in the organisation's long-term success (see appendix 7 - Q38). In addition, chief executives most frequently agreed/strongly agreed that the organisation does invest in developing its trustees (see appendix 7 – Q40).

7.4.4 The human resource system

Overall, staffing was generally seen as being critical to an organisation's success, and in some cases, its very survival:

...A voluntary sector organisation is usually only as good as the people that are running it at a particular moment in time [participant 2 voices agreement]...and some organisations will succeed because they've got good people running them, and marching the thing forward. On the other hand, you have others who, for whatever reason, they have a weak person at the top and the thing dies. Because some of them are so small that you are talking about one, two or three people to hold the thing together and if you haven't got the right people in there you...we may lose a partner, a potentially good partner.

(Chair - P3: GB)

Employing a director who did not show the understanding of managing a voluntary sector organisation [threatened our survival]. The job of the director is to set up an effective board of trustees so if this does not happen who monitors the director and their decisions?

(Chief Executive, Survey Case 134)

Appropriately trained staff are hard to find. Possible closure of projects and future effectiveness compromised due to failure to find high quality trained staff and funding which does not suck us dry with output/administration.

(Charity Secretary, Survey Case 82)

Moreover, the survey found that 91% of participants felt that the organisation's staff are vital to its long term success:

Q28- Our staff are vital to the long term success of the organisation	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	254	63.8	90.9
Agree	108	27.1	
Neither agree nor disagree	14	3.5	
Disagree	2	0.5	1.0
Strongly disagree	2	0.5	
Item not applicable	18	4.5	
Total	398	100	

Chief executives reported this view most frequently, with 98% agreeing that this was the case. A lower proportion of trustees (80%) agreed/strongly agreed with this statement. Not surprisingly, participants in organisations with higher numbers of paid staff expressed this view more frequently than those with fewer employees, as did those within the higher income brackets. However, longer established organisations were less likely to agree that their staff were vital to the long-term success of the organisation (see appendix 7 – Q28).

Asking the same question in relation to volunteers revealed that 63% of survey participants felt volunteers were vital to the organisation's success:

Q35- Volunteers are an important factor in the organisations success	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	139	34.8	63.1
Agree	113	28.3	
Neither agree nor disagree	44	11.0	
Disagree	40	10.0	15.0
Strongly disagree	20	5.0	
Item not applicable	43	10.8	
Total	399	100	

However, in this instance, more trustees (76%) felt this way when compared to chief executives and paid workers (56% and 62% respectively). Participants from organisations with higher numbers of volunteers were more likely to hold this opinion, as were those with fewer paid members of staff, those within lower income brackets and those organisations that were longer established (see appendix 7 – Q35).

A number of focus group and survey participants expressed the view that human resource sustainability is wrapped up with undertaking short-term projects. For some organisations the nature of the funding environment they operate in thus results in low morale and a high turnover of staff:

Sustainability means personnel sustainability...that's the key for me...having been through it with the health project. We had a fabulous project worker, and because we were on this sort of, bidding for the passing ship of money, the insecurity and the lateness of paperwork coming to us, and the insecurity that she had....she left us. For her benefit it was actually very good because

she ended up with a very interesting career as a result, but, it was our loss and we've got the same issue at the moment...I don't see how people, good people like that can you know...give a commitment, and that's what we need.

(Chair - P1: GB [P3: GD])

*From time to time we get a really good person and we try to hang on to them like **grim death**, but you know there's an inevitability about it, that eventually they will move on. It's a major problem...that you get people trained up, keen, working well and all of a sudden...**bang**, the funding comes to an end for a particular project and you've lost an absolutely marvellous person. So in that sense... sustainability is...has a big knock in those circumstances. Sustainability is wrapped up also within the...the problem of doing short, medium term projects themselves. Because, it takes that length of time to get a good project up and running...to really get it motivating, and unless you can then get the funding to carry it on after that, then the whole thing shuts down and it's gone.*

(Chair - P3: GB)

This daily/monthly/yearly effort in keeping afloat is in itself a threat to long term survival. As a result staff and volunteer's morale plus an element of 'burnout' are I suspect threats to be considered as relevant to long term survival.

(Operations Director, Survey Case 1)

Short term funding is an issue – too much bureaucracy; not enough time to plan and implement over the long term, affecting staff morale and user involvement.

(Project Manager, Survey Case 100)

Although a high turnover of staff was clearly a source of frustration in terms of continuity within individual projects, there was some debate within the different groups over the impact of short-term contracts on the recruitment and retention of paid staff. It was generally felt that there had perhaps been a shift in attitude away from the concept of a job for life:

I think in many sectors there's more of a culture now of people having CVs where they've done lots of different fairly short-term projects. People are getting more used to the idea of moving on and not, as you say, expecting to have a job for life, but you are still...when you're waiting for confirmation of continuation funding, you're dependant on peoples goodwill...that they're going to hang on in there until the contract finishes and not just think, well, I've only got 3 months left, I might not get continuation funding so I should start looking.

(Project Officer - P3: GE [P5: GE])

Indeed, less than half of survey participants (40%) held the view that short term funding has a detrimental impact on the recruitment and retention of staff.

Q29- The short-term nature of funding has a detrimental impact on the recruitment and retention of staff	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	69	17.5	40.0
Agree	89	22.5	
Neither agree nor disagree	76	19.2	27.3
Disagree	85	21.5	
Strongly disagree	23	5.8	
Item not applicable	53	13.4	
Total	395	100	

Participants from those organisations with higher levels of paid staffing reported this as an issue more frequently, as did participants from younger organisations (see appendix 7 – Q29).

At a personal level, some focus group participants felt that the short term nature of many posts could be a relatively positive experience:

I quite like that personally, you know, knowing that nothing's fixed.

(Project Officer - P1: GE [P5: GE])

You can't be complacent...many of us in the voluntary sector are all on time fixed contracts, linked to the funding and the targets and the development of our own set of projects. So, you're right, it's a great way of focussing people's minds.

(Project Officer - P3: GE)

The lack of career development opportunities, however, was seen as a potential deterrent for prospective employees and detrimental to the motivation of current employees, particularly by chief executive officers:

I think career development, or lack of, can affect commitment I suppose, and efficiency as we were talking about earlier. There's no kind of real structure like there is in a lot of certainly private organisations or even central or local government.

(Chief Executive - P1: GC [P3: GC])

In terms of human resource management (HRM) generally, the survey found that 74% of participants felt that all staff receive an appropriate level of support and supervision:

Q33- All staff receive an appropriate level of support and supervision	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	87	21.9	74.2
Agree	208	52.3	
Neither agree nor disagree	53	13.3	6.8
Disagree	22	5.5	
Strongly disagree	5	1.3	
Item not applicable	23	5.8	
Total	398	100	

This view was most prevalent amongst chief executives with 81% reporting that all staff received an appropriate level of support and supervision compared with 75% of staff and 67% of trustees. Some survey participants described how their organisation had developed their HRM practices in a bid to secure the organisation's future through recruiting, retaining and developing staff:

Commitment to good recruitment and retention policies for staff together with provision of good appropriate training and development.

(Finance Director, Survey Case 349 [Survey Case 180; 269; 307])

Regarding organisations that use volunteers, half the sample agreed/strongly agreed that they provide volunteers with an appropriate level of support and supervision:

Q37- All volunteers receive an appropriate level of support and supervision	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	45	11.3	50.0
Agree	154	38.7	
Neither agree nor disagree	76	19.1	12.6
Disagree	42	10.6	
Strongly disagree	8	2.0	
Item not applicable	73	18.3	
Total	398	100	

Participants from organisations with higher numbers of volunteers were more likely to report the provision of appropriate support and supervision (see appendix 7 – Q37)

The disparity in pay between voluntary sector posts, when compared with those in the private and public sectors was seen as a further deterrent:

...In terms of sustainability certainly and staffing issues, we've tried to make sure that we are compatible with the local authority. That's only because the person who chairs [the organisation] was a senior manager in the local authority.

(Chief Executive - P2: GC)

...If you've got, as we have, a set income then obviously you know that you can take in X number of staff and you'll be continually able to employ them and pay them because we get a lump of money from the Home Office through our national association. But then when you take on additional staff, or if you want to have a salary structure, you can't sustain that and therefore we can't compete with other vacancies that are advertised at higher salaries, that might be having less responsibility...than what our co-ordinators have.

(Deputy Chief Executive - P2: GD)

It's only a matter of weeks since I was sitting in a conversation with another voluntary sector service deliverer and they were saying that in order to protect their services in effect they were taking cuts in pay or conditions. And, in a sense, that's the negotiating power of the local authority exploiting the commitment that there is in the voluntary sector. And it's a very...unequal

relationship when you see that being done to another organisation. But, in turn, that undermines the professional credibility doesn't it?

(Chief Executive - P3: GC)

There was a general feeling that, as 'compensation' for not being able to pay competitive salaries due to budget constraints, voluntary organisations should make use of any training and development opportunities:

You can't give them massive pay rises, you can't pay them what they're worth because it's not in your budget. You can't even give them a performance structure. All you can do is give them the best of usually free training opportunities, and full support. Nearly all my staff who are actually in the day centre are completing a year's course at night school but I mean they're getting full support, time within the day to use computers at work and so on and so forth. I have the most superbly trained and highly professional staff, now how long am I going to hold them down there because not only are they fully equipped, they can move up... [participant 1 voices agreement] but your source of base staff, the pool is getting smaller and smaller.

(Chair - P2: GB)

In terms of the provision of training opportunities, 62% of survey participants stated that the organisation provides appropriate training opportunities for staff and 56% report that any training provided is aligned to an organisational development plan:

Q30- The organisation provides appropriate training opportunities for staff	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	51	12.8	61.9
Agree	196	49.1	
Neither agree nor disagree	78	19.5	
Disagree	38	9.5	11.8
Strongly disagree	9	2.3	
Item not applicable	27	6.8	
Total	399	100	

Q31- Any training provided is aligned to an organisational development plan	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	42	10.6	56.4
Agree	182	45.8	
Neither agree nor disagree	81	20.4	
Disagree	50	12.6	13.4
Strongly disagree	3	0.8	
Item not applicable	39	9.8	
Total	397	100	

Interestingly, it was paid workers that were more inclined to agree/strongly agree that the organisation provided appropriate training opportunities for staff (68%) compared to chief executives and trustees (63% and 56% respectively). Those participants from organisations with higher numbers of paid staff reported providing appropriate training opportunities for staff more frequently than those with fewer staff members (see appendix 7 – Q30). As well as being less inclined to agree that the organisation

provided appropriate training opportunities, trustees were also less inclined to report that any training was aligned to a development plan, with just 43% agreeing/strongly agreeing compared with 64% of chief executives and 61% of paid workers. Organisations with higher numbers of staff were more likely to report that training was part of a wider organisational development plan (see appendix 7 – Q31).

In terms of volunteers, 43% of participants stated that their organisation provided training opportunities for their volunteers:

Q36- The organisation provides appropriate training opportunities for its volunteers	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	44	11.0	42.6
Agree	126	31.6	
Neither agree nor disagree	89	22.3	15.8
Disagree	53	13.3	
Strongly disagree	10	2.5	
Item not applicable	77	19.3	
Total	399	100	

Participants from organisations with higher numbers of volunteers were more likely to report the provision of training opportunities for volunteers (see appendix 7 – Q36).

7.4.5 The internal accountability system

Accountability of staff to unpaid, part-time volunteer board members can be riddled with difficulties, and there are practical issues arising from the fact that board members usually have limited time to give to the organisation and board meetings are infrequent:

...There is limited contact between the directors and the staff, although that is being addressed and it does take place. I suppose that to some extent depends on how your board of directors is made up and what sort of background they come from and whether they're in full-time jobs and just how much free time they've got and how seriously they take their responsibilities.

(Chief Executive - P3: GD)

In terms of the relationship between boards of trustees and paid staff, some focus group participants, mostly chief executives, expressed the view that their board almost left them to 'get on with it' and were only interested in making sure procedures were in place and legal requirements could be met:

...They just want to make sure everything's in place [participant 2 voices agreement]... you know...have you done your health and risk assessment? And have you done all this? It's you that's responsible basically.

(Chief Executive - P1: GC)

I went to some training...around employment law. And they were talking about governance and management committees and I was sort of saying the reality of our management committee...there's two people who actually do anything. The others come and go. And she was saying...you need to get rid of them then. And I said, and do what? At least I've got ten people sitting round a table. So in terms of Companies House... but I think that is a reality of the sector. You talked about governance. If I was to say to two-thirds of them sitting round the table let's discuss governance, they wouldn't know what I was talking about.

(Chief Executive - P2: GC)

In an ideal world [general laughter]...ideally, trustees allow the managers to concentrate on the strategic and operational stuff and make sure that the organisation is running effectively in terms of policies and overall direction, sticking with the aims and objectives...and supporting the management team to do their role. In reality [general laughter] we all do it ourselves and the trustees turn up once a month [participant 5 voices agreement] and sign cheques and say how well we're doing.

(Project Officer - P4: GE)

Continuing with this theme, the survey found that 69% of participants reported that there is regular contact between paid staff and trustees:

Q43- There is regular contact between the staff and trustees	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	62	15.5	68.6
Agree	212	53.1	
Neither agree nor disagree	64	16.0	11.1
Disagree	41	10.3	
Strongly disagree	3	0.8	
Item not applicable	17	4.3	
Total	399	100	

However, there are some key differences between the sample organisations in relation to this statement. Trustees report regular contact more frequently than paid staff, as do those participants from organisations with fewer staff members and lower levels of annual income (see appendix 7 – Q43).

There was however, recognition amongst focus group participants that the implementation of the governing body role is not always an easy task, and that the effectiveness of board/staff relations varies greatly across individual organisations:

I have to be really careful because I also sit on boards of trustees [general laughter]...so I can see it from two sides I think. No-one moans about our trustees more than I do...and I think, god, I hope they don't moan about me like I moan about them. But I think it's a difficult role for a trustee...because in some ways you do feel very alienated from the day to day stuff. Or isolated may be the better word more than alienated.

(Project Officer - P2: GE)

I think it does vary quite a bit as well, across projects as to how much the trustees are involved or are not involved with the project, and I'm sure there are some places who don't even know who their own trustees are, you know. They're just figureheads, whereas there are other projects where they're quite actively involved and go to staff meetings, go to staff development meetings and things like that.

(Project Officer - P5: GE)

The survey found that 15% of participants expressed the opinion that their board is fairly isolated from the organisation:

Q44- The board of trustees is fairly isolated from the organisation	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	12	3.0	15.0
Agree	48	12.0	
Neither agree nor disagree	70	17.5	66.4
Disagree	190	47.6	
Strongly disagree	75	18.8	
Item not applicable	4	1.0	
Total	399	100	

Trustees reported the perception of isolation from the organisation less than other organisational members, with paid workers having the strongest sense of the board being isolated from organisational life (8% of trustees agreed to the statement compared to 21% of paid workers). Participants from organisations with higher numbers of paid staff report that the board is isolated from the organisation more frequently, as do those with fewer numbers of volunteers and younger organisations (see appendix 7 – Q44).

Volunteer involving organisations may experience further complexities concerning accountability:

We're in a difficult...a different situation because it's only two years ago that we changed from being five independent charities into one. And so the Board of Trustees is...they're made up of...each has a responsibility for a branch. So they meet locally with an advisory group and they take the views of that branch to the Board of Trustees as well as the other work. But it's only recently that they've realised that they aren't a management committee locally anymore. And that's the thing – getting them to accept that they have no responsibility for finance, staffing etc., which they used to have... it just takes time. We also have a representative of the volunteers on the Area Committee...each branch has their own volunteer representative to put views to the staff and the Advisory Committee.

(Deputy Chief Executive - P2: GD)

We are presently undergoing structural change in our decision making processes to actively involve our volunteers more. Failure to include senior volunteers in the past has led us to lose some of our most experienced people (i.e. trustees have historically not consulted senior volunteers).

(Chief Executive Officer, Survey Case 91)

7.5 Overcoming Barriers to Sustainability: Beyond Survival?

This section now brings together the presentation of data relating to the ways in which organisations endeavour to overcome some of the barriers to sustainability.

7.5.1 Agility and change management: developing strategies for sustainability

Within the focus group setting, sustainability was regarded as dynamic, rather than a static characteristic of an organisation, which is encapsulated in the statement from one chief executive:

...The adaptability of [voluntary] organisations, not necessarily about size but about internal structures, make it possible to adapt to... challenges and change. I think that's important. That's what I see with our organisation is an ability to change.

(Chief Executive - P1: GD [P2: GE])

Change is thus a constant feature of organisations in the voluntary sector, and continuous attention to change was seen, by one focus group participant, as essential; not only to ensure survival but to sustain the momentum of change:

... I suppose the other thing would be continually responding to change. You can't actually sit with your head in the sand and think well, we've done it now. I think I thought that perhaps... no I didn't really think we could... but, I didn't expect the change to be as continual.

(Chair - P1: GA [P2: GE; P3: GE])

The same focus group participant suggested that a sustainable voluntary organisation would have some means of generating or obtaining monies to enable effective strategic and operational oversight/management of the organisation (also see section 7.4.2), including the production of 'business plans'. However, the financial uncertainty reported by participants in the focus groups can be destabilising and can hinder strategy development, which was seen as an important aspect of change management:

...Building on funding generation... if you actually have funding in place that enables you to actually do things like a business plan and strategic planning... in order to actually take the organisation forward... it's very difficult to do that [strategic planning] if you haven't actually got any budget or funding, but often you have to do it with the expectation you're going to get that... it's always a chicken and egg kind of situation. It's actually good practice at managing the organisation strategically and operationally. And if that's done then the other things all contribute to that.

(Chair - P1: GA)

Constant fundraising often limits the ability/time to invest in planning and development for the future.

(Chair, Survey Case 398)

Indeed, when asked about any steps the organisation had taken to ensure its long-term future, one survey participant explained how they had reduced costs almost to the point of it becoming a detriment to the organisation's effectiveness:

[The organisation has] reduced staffing to anorexic levels, relied even more heavily on volunteer support and controlled costs to the point of imprudence in some regards.

(Operations Director, Survey Case 1)

Furthermore, it may be the case that some organisations only engage in formal strategic planning when the risks of not doing so are great:

We have regular strategy planning shake ups... usually due to lack of funds.

(Operations Manager, Survey Case 367)

The short term versus long term dilemma was seen as an enduring characteristic by some research participants, especially for those who do not have the luxury of some financial slack:

Our major funding streams are all drying up at the same time. Short-term survival is our focus at the moment!

(Chief Executive, Survey Case 166)

We haven't been able to [take any steps to ensure the organisation's long term future]. We are much more concerned with short to medium term survival.

(Project Manager, Survey Case 34)

This is borne out by the empirical quantitative data generated through the survey; although 94% of participants expressed the view that organisational planning and development is vital to the long-term future of their organisation, 45% still maintain that the most important issue for the organisation is its short to medium-term survival:

Q26- Organisational planning and development is vital for the long term future of the organisation	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	188	47.2	94.2
Agree	187	47.0	
Neither agree nor disagree	10	2.5	2.6
Disagree	3	0.8	
Strongly disagree	7	1.8	
Item not applicable	3	0.8	
Total	398	100	

Q27- The most important issue for the organisation is its short to medium-term survival	Frequency	Valid Percent	Total % agree/disagree
Strongly agree	56	14.1	45.3
Agree	124	31.2	
Neither agree nor disagree	86	21.7	32.4
Disagree	105	26.4	
Strongly disagree	24	6.0	
Item not applicable	2	0.5	
Total	397	100	

Participants from organisations with higher numbers of paid staff, and younger organisations, most frequently agree/strongly agree that planning and development is vital to the organisations long-term future. In terms of organisational role, chief executives and paid workers are also most likely to hold this view (98% and 97% respectively) compared with 89% of trustees (see appendix 7 – Q26). Trustees are also the least likely to take the view that short to medium term survival is the organisation's most important issue. This view is more acute amongst participants from organisations within the £200,000-295,000 income bracket (see appendix 7 – Q27).

The strategy of some voluntary organisations is to focus on the needs of immediate circumstances rather than on longer-term issues; one survey participant suggested that the long-term future of the organisation should not be the focus of attention:

The long term future of the organisation should not be important. The goal is how best to deliver the service in a climate of change. Which implies that organisations must be born, grow and die. Organisational ambitions to permanence are part of the problem, not the solution.

(Chief Executive, Survey Case 47)

The ways in which organisations carryout strategy development are diverse in nature, with some carrying out systematic strategy development and others taking a more unconventional approach:

We are presently developing a new strategic development plan which will enable us to shift resources from operational maintenance and modest, incremental targets to genuine, bold, strategic investments which will boost our membership and encourage greater member/trustee participation.

(Chief Executive, Survey Case 118)

We have a variety of trustee sub-committees looking at future development, fundraising, reserves and are involving staff in planning and development issues.

(Administration Director, Survey Case 57)

We pray! The trust asks God to provide direction in our activities - we also pray for funding. He provides resources to match our needs

(Trustee, Survey Case 116)

In God's hands we live simply in hope and faith.

(Role not disclosed, Survey Case 286)

Thoughtful discussion.

(Trustee, Survey Case 330)

Although strategy development was seen as important to organisational sustainability by many research participants, there was an emphasis on retaining an element of flexibility, as demonstrated by the discussion between three participants in one of the focus group sessions regarding the development of funding strategies:

...You need to ensure that your project has got a mission and a main vision and that funding runs along with it rather than actually veering off in the direction which funding could take you.

(Project Officer - P5: GE)

Yeah, you've said it in a nutshell. Because that's what we always try to do, not go, oh God, there's some money there let's go for it.

(Project Officer - P2: GE)

...Going on from what you were saying, coming up with a plan about the project that you want to deliver before you start looking for funding so that you're looking for funding that's specifically for what you want to do rather than the other way around.

(Project Officer - P4: GE)

...We're just writing a new funding bid for the main part of the organisation, and looking back from when we first started, you can actually see the development and the changes. But I wonder whether that happened just by pure chance, because I'm sure there was no-one there thinking, right this following three years this is how we're going to develop and then make the bid.

(Project Officer - P2: GE)

But if it's a good development project...that's what will happen. It will grow and flourish into something probably quite different from what it was when it started off.

(Project Officer - P5: GE)

Strategy development is a key role of the trustee board and many focus group participants reported the negative impact of governance systems that are not adequate (also see sections 7.4.3 and 7.4.5) and cannot deal with the difficulties of strategic planning facing voluntary organisations today:

...You can recognise those that just turn up to meetings... and they'll nod agreement to things, but there are a few who'll come forward and... they say, this is what we need to be doing, these are the needs we are addressing, this

is where the organisation should be going in the next six months... six years... because it's about having a more appropriate vision... an informed vision.

(Chief Executive - P3: GC [P1: GC; P2: GC])

There was a suggestion by focus group and survey participants that the governing body role, and specifically the strategy development role, is not susceptible to implementation in isolation from staff, and that good communication between the two is essential:

Sometimes you feel you have been through the full cycle and you still find that there are gaps between you. And also... some of the people in the first cycle aren't there anymore and new people are.

(Chair - P1: GA)

We've actually had a couple of staff and board development days to work on the sort of development plan for the whole association. Which I think was a really good experience. I think it was really good for the board and the staff to have more of a chance to get to know everybody...there can be that element for some of them...that we're sort of names linked to projects.

(Project Officer - P3: GE [P1: GA])

I think it gives board members a chance to feel they're actually involved in, and rightly so, in the development of the organisation. So they have ownership of what you're doing as well as the staff and the service users. At the end of the day it's them that are ultimately responsible for all of it.

(Project Officer - P2: GE)

We're constantly aware of the need for a close working structure from the board to the staff to the volunteers to the users and then parents. All should be aware of the needs of each other.

(Founding Chairman, Survey Case 83)

Focus group participants felt that having a shared vision between the board and the staff was critical (also see section 7.4.1) and that building shared vision fosters a commitment to the long term:

I think it's to do with ethos as well. We have a very strong ethos and I think we all buy into it very strongly. So that everybody is kind of quite focused on what we're about and equally they understand what we're not about.

(Project Officer - P3: GE [P1: GE])

7.6 Summary

This chapter has provided a detailed illustration of the empirical data emerging from the two exploratory phases of the research. Grounded in the methodological approach reported in chapter 6, the chapter has explored the complex ways in which organisational members conceptualise organisational sustainability through the focus

group data and assessed the prevalence of these perceptions amongst a wider sample of survey participants.

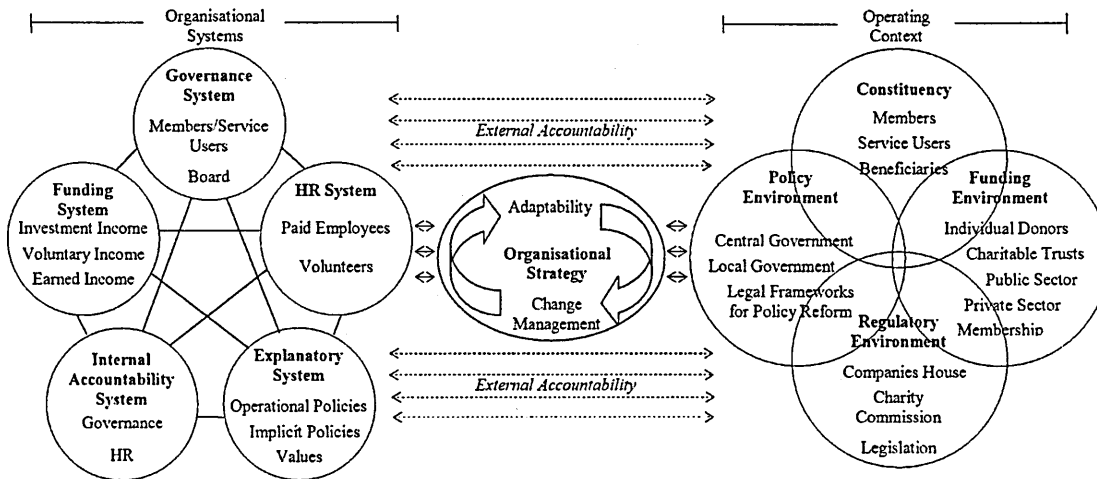
Specifically, the chapter has placed sustainability within the external environment in which voluntary organisations operate, considering the policy, regulatory, and funding environment, and issues around constituencies. Additionally, it has then explored sustainability issues at the organisational level through consideration of organisational purpose (mission, vision and values), governance, human resources, funding and internal accountability. Finally, the chapter culminated in the presentation of data pertaining to the importance attached to strategy and change by research participants when considering long-term sustainability.

8 DEVELOPMENT OF AN HEURISTIC

The previous chapter has presented the exploratory empirical data underpinning this thesis, and served to highlight the high degree of complexity associated with participants' notions of sustainability in the voluntary sector, incorporating external (operating context) and internal (organisational) elements.

Figure 5 provides a diagrammatic summary of the major themes that emerged in chapter 7, which are outlined below.

Figure 5: Diagrammatic overview of exploratory fieldwork results



Specifically, figure 5 highlights a number of systems, which the exploratory data suggests warrant consideration in developing strategies for sustainability. These systems exist within both the external environment in which voluntary organisations operate and at the organisational level.

At the organisational level, the major systems affecting sustainability suggested by the fieldwork presented in chapter 7 include:

- **Governance** - referring to those stakeholders involved in governing organisational activity such as members/service users and/or the trustee board and the systems and processes concerned with ensuring the overall direction, supervision and accountability of an organisation.
- **Human resources** - including those individuals and groups who comprise the workforce in voluntary organisations (paid staff and/or volunteers) and HRM systems and processes.

- **Funding and financial management** - incorporating the income portfolio of voluntary organisations (investment, voluntary and earned income) and the criticality, consistency, autonomy and compatibility between the organisation and its income types/sources (see table 3).
- **Explanatory** - encompassing mission, vision and values, and existing at multiple levels: explicit operational explanations (official responses/policies); implicit (broader) policies about organisational activity; and values, which lie beneath (explicit and implicit) policies and extend beyond organisational boundaries.
- **Internal accountability** - defines or governs the relationship within and between the other organisational systems and particularly the interface between staff, volunteers and trustees.

At the level of the operating environment, the major factors influencing organisational sustainability include:

- **Policy** - involves national and local policy contexts, the legal frameworks underpinning policy reform and policy development / implementation processes.
- **Funding** - includes the various entities or sources from which voluntary organisations access income (e.g. individual donors, charitable trusts, public sector, private sector, and membership) and their systems and processes.
- **Regulatory** - encompasses the generic regulatory bodies (Companies House and/or Charity Commission) and specialist regulators (such as the Commission for Social Care Inspection for example) and the process of regulation.
- **Constituency** - encompasses the direct members, service users and beneficiaries of an organisation and wider society.

The data presented in chapter 7 illustrated that voluntary organisations develop both implicit and explicit strategies for responding to the sustainability challenges presented by the above systems, and the interactions and changes within and between them. In addition, the data points to the significant influence external stakeholders can have on an organisation's ability to achieve its mission - a core element of sustainability - resulting in a demand for external accountability, as highlighted in figure 5.

It should be noted that the relevance of these systems will not be homogeneous across the entire range of organisations associated with the voluntary sector and the framework does not aim to be prescriptive in this respect. However, it does offer some ideas that may assist organisations in developing strategies that recognise, understand and enable them to adapt – in sustainably orientated ways – to changes within these systems. In short, it aims to provide a framework to facilitate reflexive approaches to and dialogue about sustainability in voluntary organisations.

This chapter will thus aim to further surface the complexity of sustainability in the voluntary sector and highlight the ways in which the internal systems and external environment of voluntary organisations interplay to affect sustainability – a key objective of the study. Specifically, an heuristic will be presented which will further develop the diagram in figure 5. While figure 5 presented an overview summary of the major themes in chapter 7, the heuristic, in contrast, will aim to depict some of the major *interactions* between the internal setting and external context. Ultimately, its purpose is to provide a guide or reflective framework for the interpretation of voluntary organisations internal and external worlds and the interconnections within and between them. It is worth noting here that this is a provisional heuristic, which will be further developed and extended through the final phase of case study fieldwork.

This systemic approach could be described as counter to the reductionist approach to tackling complexity, which forms the basis of the modern paradigm (see chapter 4). The essential aspect of the reductionist approach is that complexity is simplified by dividing a problem into sub-problems or smaller (i.e. easier to manage) components. The process of sub-division is continued until the resulting issues are simple enough to be analysed and understood. The original complex entity is then reconstructed from the component parts. However, for proponents of systems thinking, herein lies the potential problem. What if essential features of that entity are embedded not in the components but in their interconnectedness? What if its complexity arises from the ways in which its components actually relate to and interact with one another? In this scenario, the very act of simplifying by sub-division loses the interconnections and therefore cannot tackle this aspect of complexity. Here, the systemic heuristic refers to a set of elements joined together to make a complex whole, an understanding of which, the author proposes, is central to developing strategies for sustainability. For many (e.g. Checkland, 1997; Senge 1990) the justification for using the concept is

that the whole is regarded as having properties that make it more than the sum of its parts.

8.1 Notes on the Heuristic

Before proceeding with a presentation of the heuristic, a number of important points about the intention for and boundaries of the heuristic, along with an explanation of how it will be presented, should be noted. This is the focus of sub-sections 8.1.1 and 8.1.2.

8.1.1 Boundaries of the heuristic

Chapter 1 of the thesis identified that sustainability has been the source of a great deal of definitional and conceptual debate and that it can be defined in several different ways. There are a number of salient points that deserve reiteration here, before moving on to a discussion of the heuristic. This research adopts an approach to sustainability which recognises that:

- sustainability is not a static characteristic of a structure or process (Wilhelmson & Döös, 2002) and focuses on the dynamic nature of organisational sustainability;
- no condition is permanent or controllable (Fowler, 2000) - the core task in sustainability is to engender adaptability based on an understanding of what sustainability demands at any particular place or moment, and;
- sustainability involves operating in faithfulness to the organisation's original intent/mission whilst having an ability to introduce new activities that meet the needs of stakeholders (Giusti, 2004; NCVO, 2006).

Finally, the author emphasised through a critique of Billis (1996) in chapter 4 that it is not sufficient to explain how voluntary organisations adapt to change through internal factors at the expense of considering the social, economic, cultural and political context in which they operate (also see chapter 2). To capture a full picture of organisational change, both internal and external contexts should be examined together (Leavy & Wilson, 1994; Glasby 2002). This is a notion that appears to be supported by the ways in which research participants conceptualised organisational sustainability in the voluntary sector during the exploratory phases of the research.

However, it is important to note that the heuristic has been developed, not to explore the nature of the relationship within and between the internal and external contexts

generally, but to highlight the substantive inter and intra-system linkages that the analysis of the focus group and survey data suggest are fundamental to developing strategies for sustainability within voluntary organisations. The heuristic that follows is therefore intended to emphasise the linkages between systems, supported by the exploratory data presented in chapter 7 and relevant literature, rather than to provide a general overview of the components of the internal systems (e.g. governance, explanatory etc) and external environment (policy, funding etc), which were discussed in chapters 2 and 3.

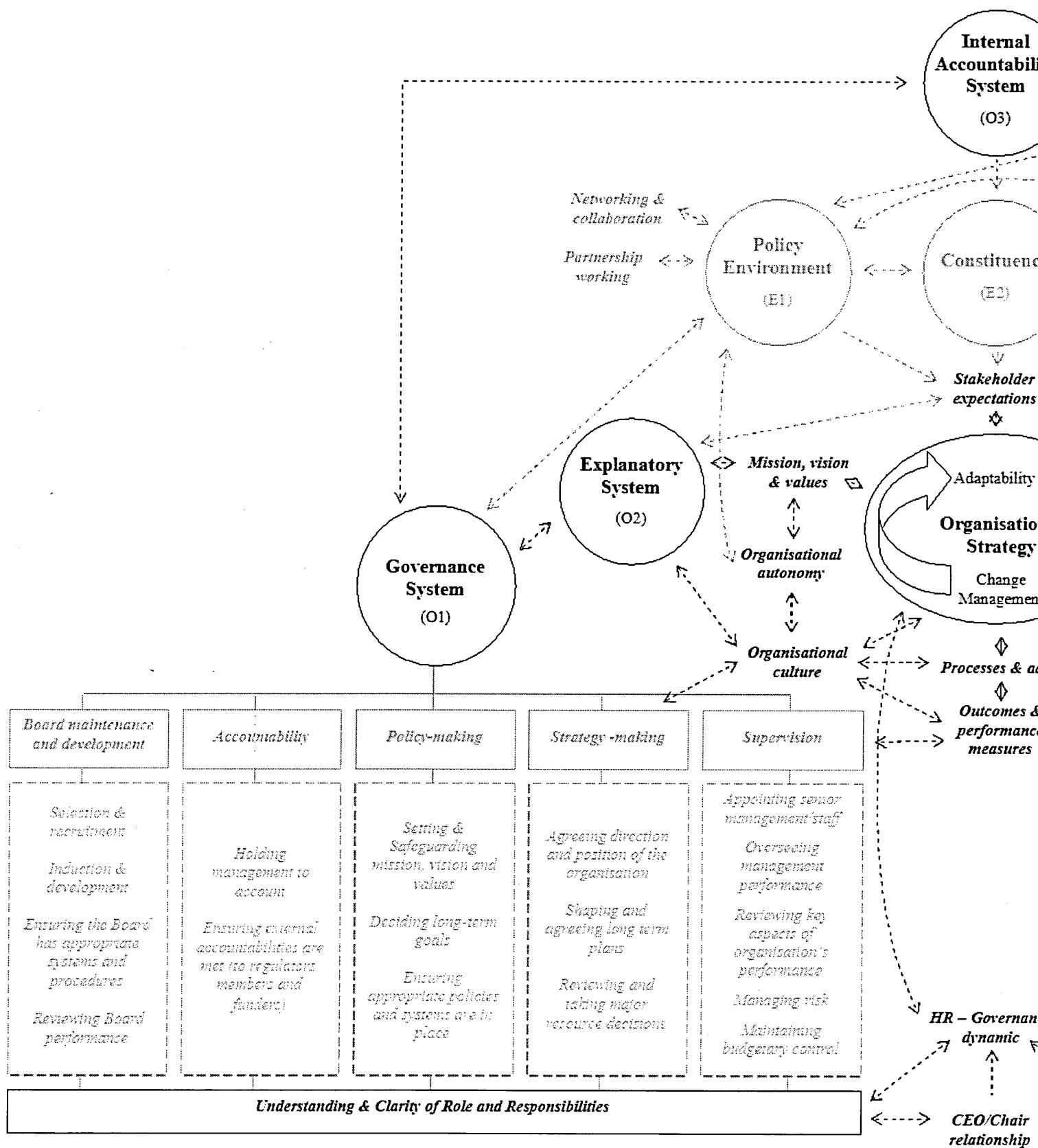
8.1.2 Presentation of the heuristic

The heuristic is a diagrammatic representation of the potential interactions within and between the internal context and external environment of organisations in the voluntary sector. The heuristic diagram is underpinned by a narrative that illustrates these relationships and interactions through the use of the empirical data presented in chapter 7 and the literature presented in chapters 2 through 4. The author will be selective in her use of data and literature, as they have been reviewed, in detail, in previous chapters. Signposts will thus be provided to related, more detailed, sections of the thesis as the chapter proceeds. The major components of the heuristic have been given a reference number, which will be used to demonstrate the linkages between the heuristic diagram and narrative. Any component beginning with 'E' indicates that it relates to the external operating environment while components beginning with 'O' relate to systems at the organisational level. For example, the reference 'E3 – O5' would indicate that a passage of text relates to the interaction between an organisation's (external) funding environment and (internal) human resource system (see figure 6, page 162).

The boxes extending from the governance system component of the diagram (O1) are intended to summarise the role and responsibilities attributed to trustee boards, which were explored in detail in chapter 3, section 3.2. Similarly, those extending from the HR system component (O5) are there to highlight the differences and similarities between these two vitally important systems.

The aspects of the heuristic presented in black rather than grey, represent the areas for further theoretical development in chapters 9 and 10 through the multiple-case study fieldwork.

Figure 6: Systemic heuristic for developing strategies for organisational sustainability in the voluntary sector



8.2 Towards a Theoretical Model of Organisational Sustainability

Figure 6 provides a diagrammatic outline of the provisional heuristic, which will now be discussed. Firstly, this section considers the funding and policy environments and their interaction with an organisation's explanatory system and constituency. It then moves on to highlight some of the implications of external accountability on the governance and HR systems of a voluntary organisation. Finally, the section explores the human resource/governance dynamic and the development of organisational strategy.

8.2.1 Resource mobilisation, the policy context and external accountability: implications for an organisation's constituency and explanatory system

Even a cursory glance at the policy and funding environments in which voluntary organisations operate show that they are often relatively dependent actors in constantly changing environments (Kellock et al., 1998; Harris, Rochester & Halfpenny, 2001; Wainwright et al., 2006). The influence of (central and local) government thus extends far beyond the activity and initiatives it directly funds, with only 19% of survey participants reporting that their organisation's success is not influenced by the public sector and over half (52%) feeling vulnerable to shifts in policy focus.

The exploratory data reported so far would therefore suggest that, in developing strategies for sustainability, it is important for organisations to be aware of, and as far as possible take into account, what they cannot control or influence in order to make insightful and considered choices about their point of entry into these environments. Within a policy context, this often occurs in collaboration or partnership with others as depicted by the connectors from component 'E1' in figure 6 (see sub-section 7.3.3 for detailed empirical data relating to networking and collaboration).

A significant problem for organisations that obtain public funding, is that the financial resources they rely on are often structured around sectors. Funding allocation is therefore typically reflected in how government organises itself (health, education, trade and industry, environment etc). These vertical structures often operate in mutually exclusive ways and (central and local) government can often find them difficult to link together. Accessing funds along these tightly defined lines may serve to steer voluntary organisations towards a narrow approach to their own work, resulting in organisations being required "*to meet outputs that may actually conflict*

with or disadvantage some of the user group” (Chief Executive - P3: GC]), and can represent a significant challenge to mission and values (see sub-section 7.4.1 for empirical data).

Consequently, an organisation’s potential for generating sustainable impacts for its service users or beneficiaries - and ultimately, its ability to undertake mission based activities - is a function of the quality of the funds accessed and the coherence of the policy framework inhabited (Taylor & Warburton, 2003; Parkes et al., 2004):

...Central government ... come up with these wonderful quick fixes to try to solve problems... and they will set a whole new range of guidelines and rules for those of us who are desperately trying to make the communities succeed, and then change dramatically and all of a sudden all the work you’ve done... because it’s moving society in this direction then the other direction... is lost.

(Chair - P3: GB)

Please refer to sub-sections 7.3.1; 7.3.2; and 7.4.1 for further data, which explores research participants' perceptions of the challenges voluntary organisations face in meeting the expectations of multiple stakeholders and their competing demands. Figure 6 therefore depicts the linkages between the policy environment (E1), the funding environment (E3), and the organisations constituency (E2) and that organisational strategy (whether implicit or explicit) often aims to meet the expectations of these stakeholders.

As such, one dimension of sustainability that continues to preoccupy voluntary organisations is mobilising resources for their work and for their own existence. Although understandable in the current economic climate, a fixation which solely equates obtaining funding with sustainability is dangerous if an organisation wishes to be viable, autonomous and civic (Fowler, 2000; Wallace & Mordaunt, 2007; Coule, 2007). In developing strategy, it is important for voluntary organisations consciously to consider and challenge the way in which different decisions about organisational identity and role in society lead to different strategic priorities in fund-raising.

From a sustainability perspective, reducing resource vulnerability through the diversification of funding sources is an important task (Palmer & Randall, 2002; Fowler 2000). Indeed, 69% of survey participants felt that a lack of diverse funding streams could represent a risk to independence; this notion is captured in the following quote from a survey participant:

We depend currently on a large donation from one source which has not been as able as in previous years to support us. Hence, it is vital for any charity to have a diverse range of funding.

(Chief Executive, Survey Case 350)

However, voluntary organisations are vulnerable in another way as well. Strategic choices in terms of resources have implications beyond their reliability, they affect what the organisation stands for, which equates to a second task of protecting its mission and identity (Gidron et al., 1999; Hailey & James, 2004) – a key role of the board of trustees (represented by the connection between O1 and O2 in figure 6). This section identifies some of the strategic choices available and, perhaps more importantly to the systemic heuristic presented, the major trade-offs they may imply.

As discussed in the introductory chapter, some voluntary organisations fulfil a ‘Third Way’ welfare substitution and social service role, alongside an increased role in the development of social policy. Chapter 2 further argued that, for some voluntary organisations, this can mean taking increasing responsibility for delivering services traditionally provided by the state (Harris, Rochester & Halfpenny, 2001). Although it could be argued that the status of the sector is enhanced by its involvement in the delivery of social policy (Kendall, 2003), the need for advocacy or lobbying within the policy arena remains high on the agenda of many voluntary organisations and their constituencies (Cohen & Rogers, 1995; Whitfield, 2002). However, will this be possible if there is greater dependency on funding for the delivery of services on behalf of the state?

Until 1990 we used to receive a substantial grant from [the local] council. Then due to a dispute about a political issue concerning [name of country], where we came from, the grant was low and we had to rely totally on volunteers to survive the council's onslaught.

(Artistic Director, Survey Case 92)

See sub-section 7.4.2 for further data relating to the impact of funding regimes on the lobbying function of voluntary organisations. The early phases of this research therefore suggest that compromise in policy assertiveness is one strategic issue and choice to be made in selecting sources of funding (see figure 6, E1 - E3 - O4). Adopting the contract option also requires consideration of the degree of goal coherence between the organisation and the contractor (Fowler, 2000) and the room to manoeuvre (see sub-sections 7.4.1 and 7.4.2 for detailed empirical data):

You're not allowed to be entrepreneurial, you're not allowed to grow, you have to stick within the black and white... you can't change, you can't move... not unless you go through a very complicated re-tender, and normally that's

a no-goer because their answer is... but we [the local authority] don't want that.

(Chair - P2: GB [P1: GC])

A key concept within the systemic heuristic is therefore the importance of paying attention to the transaction and exchanges between an organisation and its environment. Voluntary organisations which do not generate any of their own income (from fees/charges for products and services) are particularly susceptible to changes in the characteristics or focus of their resource base and perhaps are therefore particularly sensitive to the stability of resources they rely on (Wainwright et al., 2006). In unstable periods, they often adjust their relationship to try and restore continuity and stability: *"we are currently reviewing our strategy and objectives in line with changes in the external environment. Government changes are planned for 2006"* (Chief Executive, Survey Case 129).

The data presented in chapter 7 suggests that a critical issue is how to do this in ways that are not at the cost of mission and identity (see sub-sections 7.3.2.3 and 7.4.1 for empirical data), as reflected through the connections between stakeholder expectations, the explanatory system (O2), mission visions and values, and organisational autonomy in figure 6. The phenomenon of an organisation's client group or activities altering because of changes in resource conditions is often referred to as mission drift – an inconsistency between mission and action (Ebrahim, 2003; Hailey & James, 2004; Bendell, 2004):

We are responding and adapting to changes in government education policy and the funding of learning skills. Whilst changes provide new opportunities to support learners these can also cause the organisation to move away from some of its core activities, resulting in reduced products and services to providers and customers, this could threaten the long-term survival or effectiveness of the organisation.

(Development Officer, Survey Case 378)

This phenomenon is in direct conflict with an approach to sustainability that emphasises operating in faithfulness to the organisation's original intent/mission (Giusti, 2004; NCVO, 2006). In appraising resource sources, voluntary organisations thus face the issue of maintaining autonomy in their own decision-making. Being able to negotiate fair terms without compromising on freedom of internal decision-making is important, as is the ability and willingness to say no when necessary. Perhaps, the question for organisations is the extent to which they have principles they want to adhere to; a reputation for being all things to all people can imply a weak identity and raise

questions of organisational integrity; it is not clear what the organisation stands for, beyond self-survival, which is not a beneficial reputation to have:

Many large charities just need to draw down a vast amount of money just to sustain themselves. One can often question their motivation, is it to provide a service for people or merely to sustain people in jobs.

(Trustee, Survey Case 139)

The ability and willingness to say no can be eroded to different degrees by different sources of funding, which raises the issue of proportionality (Palmer & Randall, 2002) – simply shifting from grant dependency to a heavy dependency on government contracts could serve to make things worse, rather than better (see sub-section 7.4.2, for empirical data and sections 2.2 and 3.4 for wider literature in this regard). Furthermore, as Fowler (2000) points out, excessive reliance on any single source of funding not controlled by the organisation can leave an organisation vulnerable to shifts in providers' policies or perspectives, as highlighted by the opinions of participants presented in sub-section 7.3.1.

This, in turn, raises questions about the internal financial management system of an organisation (represented in figure 6 by the connection between E3 and O4) and emphasises the need for voluntary organisations to assess the implications of taking on a new type of financial resource in relation to the internal adjustment that will need to be made, and the compatibility of the new resources with existing processes, values and culture (see subsections 7.3.2.3 and 7.4.1 for further data):

Sometimes when you're applying for funding, providers of the funding don't understand the nature of the work that you do, and they ask you to do things that in the situation we're working in could be quite difficult.

(Deputy Chief Executive - P2: GD [P3: GC])

To some degree, many voluntary organisations are vulnerable to political and policy stability. Chapter 2 and 7 have highlighted how changes in regime, external pressures and shifts in priorities and fashions can all filter through to existing funding arrangements. Moreover, the focus groups in particular have illustrated that gaining access to government funds is likely to reduce the autonomy of voluntary organisations to some degree, in the sense that governments have their procedures, cultures and policies that rarely adapt to the differences between voluntary organisations. As such, voluntary organisations are expected to comply with public audit and other standard requirements and compromise may be called for. But what

about those resources derived from civil society (private individuals, grant-making trusts, fees from service users/beneficiaries)?

Raising money from individuals is commonplace for a significant proportion of the voluntary sector (Wainwright et al., 2006). Indeed, 42% of survey participants in this study reported that their organisation's success is dependent on the individuals who donate money to their work. Individual fund raising can create a sharper and potentially more transparent relationship between a voluntary organisation's performance and its credibility (Fowler, 2000). This means that honest messages during the fundraising process with honest feedback afterwards are vital; the public is increasingly eager to know how much of its money actually reaches its intended goal or beneficiary (Tonkiss and Passey, 1999). The question for voluntary organisations is to what extent they can derive a reasonable proportion of income from people who believe in and are committed to the organisation, not distant donors who make one-off donations from time to time (Baguley, 2007). This type of resource base can increase autonomy, but tapping funds from individuals to help others in a competitive market place inevitably implies a level of vulnerability as captured in the comments of a survey participant:

Public appeals have been grossly unsuccessful - most worryingly from initiatives that are standard and known to generate a lot of unrestricted income for other "mainstream" charities.

(Chief Executive Officer, Survey Case 245)

Grant making trusts are a further source of resources for voluntary organisations – although it is important to keep a sense of realism in terms of the significance of money deriving from this source (see table 1, p. 19). That said funds from grant makers within civil society can generally be of a higher quality than from other sectors in that there is rarely an issue of becoming more subject to political control. They may also seek to be more innovative and may be less tied to 'simple' output measures (Fowler, 2000). In terms of autonomy, like all donors, professional grant makers have their own agendas and programme priorities. Consequently, there can be a natural tendency for applicants to tailor their ideas and agendas accordingly: "you've got to somehow tweak [your work] to make it look sparkly and new" (Project Officer - P3: GE [P1: GE; P4: GE]). However, it is highly unlikely that funding from grant making trusts would be more administratively demanding than

other sources and overall is probably more likely to support rather than change existing process, structure and function.

Voluntary organisations charging for what they do is perhaps becoming more commonplace, with data from 2003/4 showing that 47.5% of the sector's income is earned (from the sales of goods and services) and 14.9% of this earned income is derived from individuals (Wainwright et al., 2006). Similarly, 39% of survey participants in the research state that the success of their organisation is reliant on generating income from trading goods and/or services. However, this may cause some anguish for many voluntary organisations in relation to access and exclusion. Any charge may set a threshold that could be a potential barrier for the 'poorest' that a voluntary organisation wishes to reach. In addition, a voluntary organisation's autonomy and freedom to make decisions becomes conditioned by the likely response of fee-payers. On the positive side, a major insight gained from fee-paying is the real demand for a service, as opposed to the demand expressed when something is free.

It is highly unlikely that a single option will present itself as 'the' answer to resource mobilisation for any organisation. Indeed, one of the guiding principles for resource sustainability is diversification (Palmer & Randall, 2002; Wainwright et al., 2006), with a result of organisations having to develop and pursue complex strategies that employ multiple options. In short, early clear sightedness about the organisation itself - its own agenda and identity - alongside an appreciation of the way in which different decisions about organisational identity and role in society lead to different strategic priorities in fund-raising is the cornerstone for developing effective strategies for sustainability.

8.2.2 Governance, human resources and external accountability

Sub-sections 7.4.3 and 7.4.4 showed that research participants attached great importance to the governance and human resource systems of an organisation in relation to its long-term future. However, as this chapter is concerned with the major interactions between the components of the heuristic, the individual role these systems play in organisational sustainability will not be discussed here. Rather, this sub-section will consider the conceptual links between internal and external accountability. In terms of the heuristic, the links from the governance and HR system components (O1 and O5 respectively) to the internal accountability system (O3), and the subsequent connectors to 'external accountabilities' depict this. Section

8.2.1 has already begun to demonstrate the numerous external stakeholders to which a voluntary organisation may be accountable and outlined some of the accountability issues surrounding resource mobilisation and accountability to an organisation's constituency and wider society in terms of providing something of social value. The subject of external accountability is, however, worth further exploration here in relation to the potential implications for the governance and human resource systems of an organisation.

In terms of the policy environment, the Labour government, like its Conservative predecessor, views the voluntary sector as a key mechanism for the delivery of its policies (HM Treasury, 2005; DCLG, 2006; see section 2.1 for wider literature). It has also retained the expectation that the voluntary sector must demonstrate its efficiency and effectiveness through submitting itself to close monitoring and regulation, both through regulatory bodies (like the Charity Commission and Companies House – see the link from E4 to external accountabilities in figure 6) and the monitoring of funding agreements/contracts (Rochester, 2001; Morgan, 2007; see figure 6 – E3). Refer to sub-sections 7.3.2.1 and 7.3.2.3 for detailed empirical data.

Whilst many research participants perceive that this is an inevitable consequence of most funding (and political) regimes, there is sometimes a concern that monitoring requirements are often not proportional to the amount of funding received, and that this represents an onerous task consuming an enormous amount of staff time:

...What I think is happening is that the long-term intention, which is to bring improvements in services, is being hampered by the fact that the monitoring is becoming more and more onerous, and it's very difficult to meet the contract and staffing hours in terms of support because your staff are constantly being pulled off the support in order to do the monitoring.

(Chief Executive - P3: GD [P2: GC; P1: GD; P1: GA; P2: GA])

Please refer to sub-section 7.3.2.3 and 7.4.2 for further data in this regard. The question of how compatible particular resources are with the organisation's existing internal financial management system and processes is therefore of crucial importance. Section 8.2.1 outlined how the priorities of funders can become a powerful influence on organisational activity and direction, and it is ultimately the responsibility of the board of trustees to ensure protection of the organisation's original intent through challenging whether or not the values and culture of the funder are sufficiently aligned with those of their own organisation. In this regard one

research participant described their approach of “*innovating while remaining consistent in the philosophy and management of our work*” (Trustee, Survey Case 140).

The pressures on board members to ensure that their organisation is effective have never been greater (see section 3.2 for wider literature). The high profile that the press now gives to the small number of scandals in the voluntary sector means that people’s expectations are rising (Gibelman & Gelman, 2004). They have reminded people that the boards of voluntary organisations provide the public with trust and confidence and help to maintain their reputations (Leat, 1988 & 1996; Charity Commission 2007a). These are all hard-won features, often associated with effective governance, and are vital to sustainability. The support of any system of governance has costs associated with it, and the clear view of participants in this study was that governance systems which are not adequate and cannot respond insightfully to changes in the organisation’s environment represent a risk to the organisations’ sustainability (refer to sub-section 7.4.3 and 7.4.5 for detailed empirical data relating to governance issues):

The reality of our management committee...there’s two people who actually do anything. The others come and go. I think that is a reality of the sector. You talked about governance. If I was to say to two-thirds of them sitting round the table let’s discuss governance, they wouldn’t know what I was talking about.

(Chief Executive - P2: GC)

The findings of the exploratory phases of this study have raised questions about the extent to which the expansion of regulation in recent decades, and its subsequent demand for external accountability, has focused the role of trustee boards on ensuring compliance and accountability to external bodies such as funders and regulators. The case study phase of fieldwork in chapter 9 will consider in more depth the implication this may hold for internal accountability and the interface between staff and trustees.

8.2.3 The human resource/governance dynamic and the development of organisational strategy

Key to the systemic heuristic is the recognition that different individuals within an organisation will have significantly different perspectives, based on different histories, cultures, experiences and even goals – particularly in terms of those individuals who collectively make up the governance and human resource systems of voluntary organisations (see figure 6, O1 and O5). These different perspectives have to be

integrated and accommodated if effective action is to be taken by the relevant agents. This has direct implications for the way in which organisations approach strategy development; employing an approach to strategy development that takes into account different perspectives or different frameworks is not a luxury, it is essential if the proposals that emerge are to have anything approaching widespread support (Schön and Rein, 1994; Mintzberg, et al., 1998).

As a result of the focus group and survey fieldwork, the author suggests that rigidly separating and implementing the strategy-making role as a function of the board of trustees alone is not conducive to the complexity of the internal setting and external environment in which voluntary organisations operate. The use of such command and control inevitably fails within complex systems and alienates employees by treating them instrumentally (Chapman, 2002; also see section 4.2).

In an increasingly professionalized and managerial voluntary sector, there is a second significant risk that the board of trustees may be sidelined from their (official) strategy and policy-making functions – a responsibility which places trustees as the final decision makers within a voluntary organisation who determine how the mission, purposes and goals are set (Bryson, 1988). The exploratory fieldwork reported in chapter 7 has, for example, shown that participants are more likely to feel that staff are vital to the organisation's long-term success than the board of trustees are, arguing that organisations are dependant for their very survival on their staff (see sub-sections 7.4.3 and 7.4.4 for empirical data). Moreover, survey participants from organisations with higher levels of income were less likely to feel trustees were an important factor in the organisation's success. In some cases, there appears to be a significant concern that trustees who *"just turn up to meetings... and nod agreement to things"* (Chief Executive - P3: GC [P1: GC; P2: GC]) are not able to empathise with the organisation's purposes or to understand its work; that they do not take seriously their responsibilities; that they are uninterested in their core policy-making task; and that their meetings are dominated by either discussions of trivial issues or a pre-occupation with liability and insurance arrangements at the expense of organisational activity:

...they just want to make sure everything's in place [participant 2 voices agreement]... you know...have you done your health and risk assessment? And have you done all this? It's you that's responsible basically.

(Chief Executive - P1: GC)

These views are not confined to the staff of voluntary organisations – trustees themselves can feel uncertain of their role, or even redundant, in the face of staff expertise, complex agency goals, and a rapidly changing environment (Harris, 1996). Moreover, the exploratory data suggests that the extent and effectiveness of board-staff relations varies greatly across individual organisations, and that organisations with higher numbers of paid staff are likely to have a more isolated board of trustees (see sub-section 7.4.5 for empirical data). From the exploratory fieldwork and literature review, the author asserts that there are, amongst others, three interrelated issues which may contribute to the tensions between trustees and staff in developing strategies for sustainability:

- the level of understanding regarding roles and responsibilities within and between the governance and human resource systems
- the relationship between the chief executive and chair of the organisation and the subsequent implications this holds for the dynamic between the board and wider staff team
- issues of internal accountability.

These issues are depicted in the heuristic through the connections between the governance and HR system components (O1 and O5 respectively) to the central organisational strategy component, and the subsequent linkages to the HR-governance dynamic, CEO/chair relationship and understanding of roles and responsibilities triangle at the bottom of figure 6. It is to these key issues that the rest of the chapter will turn.

Section 3.2, highlighted that members of trustee boards can be unaware of the functions that have been allocated to them in official statements and in law, which can lead to a failure to adequately implement their role, resulting from a lack of awareness of, or failure to understand their responsibilities. Board members can be misled into thinking that, like in the corporate model, the chief executive can be left to carry out all key functions (Hodgkin, 1993). A number of focus group participants suggested that, in normal times, most governing bodies of large organisations are likely to let things run and rely on the chief executive:

In an ideal world [general laughter]...ideally, trustees allow the managers to concentrate on the strategic and operational stuff and make sure that the organisation is running effectively in terms of policies and overall direction, sticking with the aims and objectives...and supporting the management team to do their role. In reality [general laughter] we all do it ourselves and the

trustees turn up once a month [participant 5 voices agreement] and sign cheques and say how well we're doing.

(Project Officer - P4: GE [P1: GC; P2: GC])

As crises arise, however, boards may start to ask tough questions and then they have stepped into new territory; norms are likely to inhibit board members from criticising the chief executive, and on many boards, members probably do not have much connection with each other outside of meetings (Lorsch and MacIver 1989).

The extent to which members of the governing body are aware of their official functions may therefore be dependant on the extent to which staff see themselves as having a responsibility to develop and inform their own governing body:

We're constantly aware of the need for a close working structure from the board to the staff to the volunteers to the users. All should be aware of the needs of each other.

(Founding Chairman, Survey Case 83)

The internal accountability system thus defines the nature of the relationship, the rules and procedures, that hold the other systems together and that govern the relationship within each system, not least between the governance and HR systems. These issues have significant implications for the development of organisational strategy. The traditional view that strategy can and should be developed by those who sit at the apex of the organisational pyramid - be they the board of trustees or the chief executive - was challenged throughout chapter 4. This premise not only relegates other members of the organisation to subordinate roles in strategy formation, but also precludes external actors from the process altogether. In addition, should the strategy making role be implemented by the board of trustees alone, it may encourage a culture where the board are prone to blame the implementers (staff/volunteers) when things go wrong. Mintzberg et al. (1998) argue that there is no such thing as a gap between strategy and implementation; there are only strategies whose poor design fails to take into account the realities of implementation. This is a particularly important point within the voluntary sector context, as, by virtue of their roles and responsibilities, the board of trustees, who are officially responsible for strategy development and reviewing performance, are generally not responsible for implementation.

In this complex environment, it would seem beneficial to collapse the distinction between strategy and implementation by closely involving the implementors in formulation, thereby increasing the opportunity for collective learning:

We've actually had a couple of staff and board development days to work on the sort of development plan for the whole association. Which I think was a really good experience. I think it was really good for the board and the staff to have more of a chance to get to know everybody...there can be that element for some of them...that we're sort of names linked to projects.

(Project Officer - P3: GE [P1: GA])

Please refer to sub-section 7.5.1 for further empirical data in this regard. Ultimately, organisations must discover how to tap people's commitment and capacity to learn at all levels in an organisation. The underlying message here is that future organisational sustainability will depend on an ability to learn and apply learning to alter behaviour (Fowler, 2000). There is now great interest in the ways in which learning and knowledge processes may link to the progress of an organisation (Nevis et al., 1995; Harrison, 2000b; Harrison & Smith, 2001). The basic learning process occurs everywhere in an organisation, and is tied up with change; an organisation that wishes or needs to change will have to constantly encourage its people to learn in order to achieve and progress that change (Garvey & Williamson, 2002). However, within the voluntary sector context, a direct operational orientation has often served to put less value on, and effort into, indirect processes such as reflection and learning, which are often seen as 'desirable luxuries'. Investment in learning is seen as part of the overhead costs, not a core element of being effective, meaning there can be a chronic under-investment in learning systems and processes (Fowler, 2000). Indeed, although the majority (62%) of survey participants stated that the organisation provides appropriate training opportunities for staff, 38% were not sure that this was the case.

It is argued that the heuristic presented in figure 6, alongside the underpinning narrative presented in this chapter, represents an effective framework for interpreting the results of phases one and two of this study. Fundamentally, it has identified the critical factors in developing strategies for sustainability in the voluntary sector and the interconnectedness of these factors grounded in the analytical processes described in the research design and methods chapter (sub-section 6.2.2).

8.4 Summary

This chapter has highlighted the complexity and dynamic nature of voluntary organisations and the interconnectedness of their internal systems and external environment. The author has maintained that, in considering sustainability in a broad

sense, it is important to take an *integrating* approach that explains voluntary organisations in their larger contextual and operating environments. It was highlighted in chapter 2 that much of the literature pertaining to the operating context or environment, and the implications this holds for voluntary organisations provides a macro or sector level analysis, which often fails to consider the implications for sustainability at a micro or organisational level. The author submits that the heuristic presented here, combined with the detailed multiple-case study fieldwork, which will be presented in chapter 9, will go some way towards contributing to a greater understanding of how individual organisations develop strategies for sustainability.

The author showed in chapter 3 that although a number of significant commentators are beginning explicitly to recognise the governance system of voluntary organisations as playing an essential role in sustainability (see NCVO, 2007; Charity Commission, 2003), literature exploring the relationship between the governance and human resource systems have tended to focus solely on the relationship between the Chief Executive and Chair (see Carver, 1997; Pettigrew & McNulty, 1998; Charity Commission, 2003; Mole, 2003) or trustee board and senior management (Cornforth & Edwards, 1998). The author argued in the conclusion to chapter 4 that the relationship between the trustee board and wider staff team should be given greater consideration, particularly when developing strategies for sustainability. The heuristic presented here adds further weight to this proposal, grounded in the analysis of empirical data presented in chapter 7. Indeed, the analytical process of exploring the relationships between categories identified the trustee/staff interface as a central theme of interest emerging from the data in relation to internal accountability and organisational strategy.

The final phase of research underpinning this thesis will further develop the ideas presented in this chapter, with a particular focus on the development of strategies for sustainability and how this process is influenced by the governance/human resource system dynamic. The aspects of the heuristic presented in black rather than grey in figure 6, thus represent the areas for further theoretical development in chapters 9 and 10 by means of four case organisations. Chapter 9 therefore proceeds by presenting the case study data in this regard.

9 FURTHER THEORISING: INSIGHTS FROM FOUR CASE STUDIES

This chapter presents the empirical data resulting from the multiple-case study fieldwork. The chapter will begin by providing a brief descriptive overview of the four case organisations in terms of their purpose, governance, human resources and funding. The chapter then provides additional data to illuminate key aspects of the heuristic presented in chapter 8 through the presentation of data that further supports its constituent components and illustrates how the four case organisations approach them in developing strategies for sustainability.

The chapter then proceeds by exploring social dynamics and the strategy process within the four organisations, with a particular focus on intra-system dynamics (within the HR system and within the governance system) and inter-system dynamics (between the HR and governance systems). The empirical data presented here thus serves to focus primarily on research questions 3 and 4 of this thesis, presented in chapter 1. Before proceeding, however, it is important to first note a number of salient points about the reporting of the data in this chapter.

9.1 Notes on Data Presentation

The data presented here has been generated through the process of analysis described in chapter 6, for the four case organisations and is based on 23 interviews, document analysis and observations. The case study data primarily focuses of the substantive themes from content analysis representing the output of within-case and cross-case analysis and will be reported here in a way that elucidates the commonality, and difference, in narratives within and between the four cases.

Thus, quotes from the transcripts are followed by a code identifying the case, the role of the organisational member and whether the issue or opinion represented was supported by other participants. For example, the code (Organisation B, Chief Executive [+ Organisation D, Trustee]) would imply that the chief executive of organisation B raised the issue, but that a similar opinion was also expressed by a trustee within organisation D. Again, this is to permit the reader to judge the evidential basis of the data selected for presentation, and ultimately the discussions and conclusions presented in the two chapters that follow. The transcription conventions below apply to the data presented:

- ***Bold italics*** = stressed syllables
- [] = comments added to transcription
- ... = pause

In addition, references to the heuristic diagram presented in figure 6 (page 162) will be made throughout this chapter to illustrate the links between the heuristic and the empirical data presented here. This will be achieved through signposting the reader to the reference numbers (e.g. O1, E3 etc) attributed to components of the heuristic diagram, as in chapter 8.

9.2 Introducing the Cases: A descriptive Overview

This section of the chapter serves to provide a brief description of the four case organisations in terms of purpose, governance, human resources and funding.

9.2.1 Organisation A

9.2.1.1 Organisational purpose

Organisation A was registered as a charity in 1998 and is incorporated under the Companies Act. It exists to fight for the rights of people with learning disabilities, including those who have a sensory impairment. The organisation works to promote choices, rights and independence for all people with learning disabilities through supporting them to develop the skills they need to communicate and speak up for their rights (Annual Report, 2006).

9.2.1.2 Governance

Organisation A is governed by eleven trustees, although curiously the financial statements suggest only three are directors for the purpose of company law. The trustee board meets every six weeks and the organisation's constitution stipulates that 75% of the trustee board must be made up of people with a disability or representatives of organisations for disabled people. Other board members are recruited for their particular area of specialism (e.g. finance, HR) through contacting local businesses and voluntary sector support organisations.

Within their 2006 annual report, the trustees state that members of the board are recruited using "existing or new networks of relevant organisations and the individuals involved in them. Our aim is to attract people with learning disabilities who are national figureheads". A number of interviewees confirmed that the

organisation had indeed been successful in attracting high profile people with a disability or learning disability, in addition to individuals with a specialism.

Potential trustees are not encouraged to put forward a formal application to the board until they have observed some meetings, met staff and discussed their potential role and involvement. New board members are inducted by spending time in the organisation's offices, meeting the project workers and volunteers and learning about the organisation's activities and how they are delivered.

9.2.1.3 Human resources

Organisation A operates on a staff team of 20 paid staff, most of who are on short-term contracts, and 10 volunteers. The moral and social values which underpin its external work are embedded strongly throughout the organisations culture, which is one of empowerment; all of organisation A's work is led by people with learning disabilities, who are paid an equal salary to their non-disabled co-workers.

9.2.1.4 Funding

The Central Register of Charities, maintained by the Charity Commission, shows that organisation A has increased its annual income from approximately £300,000 to £500,000 over an eight year period. However, this is not a linear trend and income appears to fluctuate year on year. The organisation's annual accounts 2006 state that the charity's income in 2005/6 came from:

- 31% earned income (sales of publications)
- 64% voluntary income (donations and grants)
- 0.5% investment income (bank interest)
- 4.5% other income.

9.2.2 Organisation B

9.2.2.1 Organisational purpose

Organisation B is a charitable company registered in 1999 and exists to promote the rehabilitation of offenders by improving links between community based agencies and the prison and probation services (Annual Report, 2006). Specifically, the organisation achieves its objectives by focussing on influencing policy and decision makers, collaborating with stakeholders to encourage innovative ways of working, developing local and regional partnerships and publishing information and resources.

9.2.2.2 Governance

Organisation B is governed by 13 trustees, which, until 2006, included one of the original founding members. The trustees are directors for the purpose of company law. The Articles of Association specify that the management committee (board of trustees) shall be made up of at least eight members, comprising a mix of persons elected by the membership and others co-opted by the management committee. As such, most, if not all, of the trustees come from a wide variety of charities and they are all employed at a senior level in their own organisations.

9.2.2.3 Human resources

Organisation B operates on a team of 14 paid staff, who are geographically dispersed across the country. Four are classed as core staff, including the chief executive, communications co-ordinator, office manager and administrator. All other staff members are project funded and are therefore employed on short-term (usually three year) contracts.

9.2.2.4 Funding

The Register of Charities shows that organisation B has increased its annual income from around £50,000 to just under £700,000 in a 6 year period. Although the organisation's income has increased year on year, the most significant growth took place between 2005 and 2006, with income more than doubling within that 12 month period. The organisation's annual accounts 2006 state that the organisation's proportional income sources in 2005/6 were:

- 3.5% earned income
- 95% voluntary income
- 1% investment income
- 0.5% other income.

9.2.3 Organisation C

9.2.3.1 Organisational purpose

Organisation C was first registered as a charity in 1967, although it was founded in 1930. The organisation was set up in response to social issues during a time of 'depression', and the founding story is embedded throughout the fabric of the organisation with every interviewee recounting its history. The charity provides care and support for homeless and vulnerable people, and is underpinned by a strong faith-based ethos.

The operations of the organisation are governed by the Trust Deed which emphasises the promotion of faith among needy and destitute people, and the relief of poverty, hardship, sickness and distress. While both these objects are legally capable of being administered separately the organisation contends that they arise from the same theological motive and as such it is not right to separate them. Ultimately, organisation C strives to have political and prophetic voice as well as providing 'compassionate service'.

9.2.3.2 Governance

Organisation C is governed by 9 trustees, who are appointed on the basis of their faith and the possession of skills which are of benefit to the charity, which has resulted in the formation of a professional trustee board. The trustee board is supported by the Vision and Finance Subcommittee (chaired by the Chair of trustees) and the Staffing Subcommittee (chaired by a trustee).

The charity's governance structure had formerly consisted of the board of trustees, which met quarterly, and a management committee which met monthly. However, the management committee was recently disbanded and the trustee board now take all decisions related to the administration of the charity.

9.2.3.3 Human resources

Organisation C benefits from a significant number of staff and volunteers. The chief executive reported that the organisation has between 80 and 100 volunteers and approximately 40 to 45 staff. The majority of paid staff are employed on permanent contracts.

9.2.3.4 Funding

The Register of Charities shows that organisation C has increased its annual income from approximately £700,000 to in excess of £950,000 over a period of 7 years. However, this is not a linear trend and income fluctuates year on year. The organisation's annual accounts 2006 state that the organisation's proportional income sources in 2005/6 were:

- 33.5% earned income
- 53% voluntary income
- 0.5% investment income
- 13% other income.

9.2.4 Organisation D

9.2.4.1 Organisational purpose

Organisation D is a charitable company, registered in 1985. The purpose of the charity is to advance the education of the public via the provision of a museum and memorial. The charity also has a wholly owned trading subsidiary, which operates on the same site and has a separate workforce.

9.2.4.2 Governance

The Honorary Museum Director is paid as the Chief Executive of the trading subsidiary, but receives no payment for his role as Honorary Museum Director. The trustee board approached the Charity Commission and obtained an Order to enable him to continue to be a trustee of the charity when he took on the role as Chief Executive of the trading subsidiary.

Organisation D is governed by 8 trustees, including one of the original founding members, who are also the directors for the purpose of company law. Within their 2006 annual report, the trustees state that the board appoints new trustees from “time to time” and that “each new appointment stems from a personal recommendation to the board. That person is, if considered suitable, given the opportunity to meet the board on a semi-informal basis after which the board considers the appointment and agrees to appoint or not as the case may be”. The author, on many occasions, was given the impression by research participants that there was a perception of great ‘kudos’ attached to the role of trustee at organisation D, which was often reserved for the professional elite.

9.2.4.3 Human resources

Organisation D operates on a small team of 15 (part time and full time) paid staff, who work alongside 135 volunteer staff members (every member of the organisation’s workforce is referred to as staff – there is no distinction, in terms of the policy/management framework, between volunteer and paid members of the staff team). Many of the paid members of staff were previously involved on a voluntary basis, as were many of the trustees. Interviewees report that, since the 1980s and particularly since the millennium, the organisation has evolved from a volunteer run organisation to a more professionalised entity, which is now run as an “attraction business” in order to achieve its ambition to be a self-financing museum.

9.2.4.4 Funding

The Register of Charities shows that organisation D has increased its annual income from around £300,000 in 2004 to over £500,000 in 2006 (this figure includes income generated by organisation D's trading subsidiary). The organisation's consolidated annual accounts 2006 state that the organisation's proportional income sources in 2005/6 were:

- 87% earned income
- 11.5% voluntary income
- 0.5% investment income
- 1% other income.

9.3 Developing Strategies for Sustainability: Issues of purpose and content

This section aims to support and extend the heuristic presented in chapter 8 through the presentation of data that brings further justification for the constituent components of the heuristic. It does so by illustrating the importance case study organisations attached to considering both the external operating environment and the internal aspects of the organisation in developing strategies for sustainability. Specifically, the sub-sections that follow focus, in turn, on the major themes of governance, human resources, funding and financial management, collaboration and partnership working, and service users/beneficiaries. Each section will end with a brief explanation of how the empirical data presented relates to and extends the heuristic presented in figure 6.

9.3.1 Governance (see figure 6: O1)

The descriptive overview of the cases provided in section 9.2 has begun to highlight that all four organisations have pursued a strategy of recruiting professional individuals to the trustee board, with a strong focus on skills perceived to be of benefit to the charity. This is perhaps unsurprising, considering some interviewees, particularly within organisation B, associated organisational sustainability with good governance:

The trustees bring a lot of expertise. We need people in our organisation... that have the foresight to see where the organisation needs to go to make us actually exist in the next ten years. And I think that's their position in the organisation. It's skills, expertise and ensuring that the organisation is taking the right strategic decisions to succeed in the long term.

(Organisation B, Paid Officer [+ Chief Executive])

Perhaps because the trustees within the four organisations were seen as ‘experts’ in their field, and reflecting the exploratory fieldwork results, there was very little in the way of formal development for trustees through structured training:

No, not formally, we haven't [invested in developing trustees]. I think that the ethos has been that you have, as Trustees, people who are eminent in their professions and skilled and that's where the expertise comes from. It's assumed they're capable and expert and they sit on the Trustees, showing their wisdom. That's the ethos.

(Organisation C, Trustee [+ Organisation D, Paid Manager & Chief Executive])

Nominally, there would be a nod to training [trustees] but not really, no, because most are experienced in their field. If they were completely raw and new, I think they might do but it is something that you could argue we're a bit complacent about.

(Organisation B, Trustee)

However, organisation B had developed more informal processes, with the chief executive and chair of the board meeting each trustee to “look at their role, and how they feel about what’s happening” (Organisation B, Chief Executive).

Organisations A and B had policies in place regarding board renewal in terms of stipulating how long trustees can serve before retiring from ‘office’ (at least for a specified period of time). Interviewees within these organisations also viewed change within the trustee board as a positive process and essential to effective governance:

We've just had four new trustees in the last couple of months and that brings a lot of energy to the Board and I think that's what's needed because... the organisation itself can get stuck with the day to day effort of just keeping going, so often it's hard to get your head above the parapet. Certainly the new trustees who've come in have been quite innovative and from quite a wide range of backgrounds and I think we're on a bit of a crest at the moment.

(Organisation A, Trustee [+ Chief Executive])

I'm not as hands on as I previously was which is why I will step down because it does need that enthusiasm and that drive, some new fresh young people which is also a reason I think that, unless people are still very involved in any organisation, I think that there should be... a continual re-energising through new people.

(Organisation B, Trustee [+ Paid Officer])

Interestingly, organisations C and D did not have official mechanisms to ensure board renewal takes place, and to some degree any change that had taken place appears to have been initiated by one or two power-holders, often in the form of the Chief Executive or Chair:

The trustees stay for ever and that's been the culture from the start of 1968 or so. There was nothing ever built in that they should retire so they seem to do 10-15 years. Our structure used to be Board of Trustees with a Management Committee underneath. The monthly Management Committee meeting was doing the main business and the Trustees... didn't really know what was going on... so we basically got rid of the Management Committee.

We got some of the old Trustees to resign, to realise the time had come for a change, talked to them nicely, said "Thank you very much" and...yeah, they were good but they'd just had their time. And we got some of the Management Committee members to become Trustees... those who I'd been actively working with.

(Organisation C, Trustee)

The current Board of Trustees have been in... since about 2000. There was quite a heavy duty of 15/16 trustees before then. There was a conscious decision to slim it down to a very small Board of Trustees, five or six now. And that has been fairly instrumental in actually keeping going... many people were trustees in name only and weren't really crucial to the decisions.

(Organisation D, Trustee [+ Chief Executive])

When asked about the challenges facing trustee boards, interviewees tended to focus on big-picture issues such as establishing and maintaining vision and values, responding to change, monitoring finance and performance achievement:

The challenge is never standing still... it isn't really an option. I mean every organisation I've been in has tried to advance itself and I think that's true here. So, challenges for the future... I think it's just more of the same... to keep a close eye on the finances, make sure we're still strong on our educational theme and to do this whole task that we've set ourselves to the best of our ability and to enjoy ourselves in the process [laughing].

(Organisation D, Trustee)

The main challenges I think are... about balance. The first balance is between the delivery of professional housing services and the [faith based] ethos. And the second is the maintenance of the values... I think our trustees have got this challenge, in maintaining the [faith-based] ethos because actually as you grow bigger... it's very difficult to maintain core values and not just become... a big homogenous kind of organisation.

(Organisation C, Chief Executive [+ Paid Manager])

The opportunity to undertake detailed analysis at an organisational level through the multiple-case studies has illuminated issues that hold further insights into and implications for the heuristic presented in figure 6. Specifically, all four case organisations have pursued deliberate strategies of recruiting people perceived to be experts in the recruiting organisation's area of work or in their own profession (such as law, HRM). This has often resulted in an assumption that trustees' professional skills will adequately equip them to undertake their trustee role, thus negating any

(perceived) need for trustee development. Indeed, only one of the case organisations had put in place a means of dialogue between the chief executive, chair and each individual trustee regarding their personal role in governing the organisation. In the main, all other interaction at board level focuses solely on organisational activity.

With reference to the boxes extending from the governance system component (O1) of the heuristic, this (and the data that will follow) shows that the work of the trustee board is often focused so heavily towards meeting external accountabilities, policy/strategy making and supervision of the organisation, that board maintenance and development is not prioritised. This may present serious challenges, as the view of participants in the exploratory research phases was that governance systems that are not adequate represent a serious risk to organisational sustainability – further supporting data from the multiple-case studies is presented in section 9.4.

9.3.2 Human resources (see figure 6: O5)

The interview process revealed that, when asked about the founding story of the organisation, most interviewees within organisation A and B could give a brief, but mainly partial, outline of how and why the organisation came about. A passion about and commitment to the organisation's field of work appeared to be the common thread uniting paid employees, rather than a strong rooting in the organisation's history:

I think the way society treats offenders is one of the last bastions of really oppressive treatment of people so I feel very strongly about that, so, you know, it's not as though I'm not interested in the field. I really do feel strongly about it.

(Organisation B, Chief Executive [+ 2 x Paid Officers])

I was first attracted to work for [the organisation] because it is a political organisation and I believe in what they're doing. I like the way it works 'cause it works differently from other organisation, its empowering to people.

(Organisation A, Paid Officer [+ Chief Executive & 2 x Paid Officers])

In contrast, interviewees from organisation D had a very strong attachment to the organisation's history and attracted many of its paid and volunteer 'staff' due to their interest in the Museum's artefacts. However, this had presented some tensions as their commitment was seen to lie with their hobby and not with the wider charitable objects of the organisation:

As the [artefacts] came, then of course there were lots of pure enthusiasts who really just wanted to play with [the artefacts] and... they were not too involved, except in the most general way, with the education of the public.

(Organisation D, Trustee [+ Chief Executive])

Every interviewee from organisation C recounted the organisation's 75-year history, and it was apparent that this had important status within the organisation. Many paid employees stated that the freedom to articulate and share their religion was a major reason for them applying for a position within the organisation more frequently than the wider social changes the charity is set up to achieve:

The fact that it's a [name of religion] organisation was a pull for me. And so... I just felt that it was really the right place for me to be. We are very much a faith-based organisation.

(Organisation C, Paid Officer [+ Paid Officer])

When discussing the support available to staff in carrying out their organisational roles, most interviewees across the cases reported the 'usual' formal processes of supervision and appraisal. Most interviewees also reported having formal team meetings. There were however, notable differences in the approach taken by the four cases in relation to developing their human resource as part of their overall strategy.

Organisation A and B undertook regular support and supervision sessions with staff, which was reported consistently across all interviewees. It is interesting to note that the narrative from interviewees in these organisations revealed that greater value was placed on HR practices than structured policies:

We have annual appraisals and then it is quite fluid, so if people want more supervision they have it, but it's not so formal or rigid that we have a policy that it would be every three months or whatever. I think in some organisations you end up just ticking boxes.

(Organisation B, Paid Officer [+ Paid Officer])

Indeed, the focus of the trustees in organisation A was to engender a culture of trust to create a supportive environment, rather than focusing on their legal responsibilities as employers and the provision of operational HR policies as a method of control (see figure 6: O1 – O3 – O5):

I think if the management feel confident and comfortable with the Board then that will emanate down to staff. It's more an ethos than a policy that will get you that feeling of trust. I mean, you can find many large organisations where you just don't get that feeling, whatever supervision structures and appraisal regimes are in place.

(Organisation A, Trustee [+ Trustee])

In addition to formal appraisals, organisations A and B thus had a strong focus on open, informal methods of development and communication, which employees appeared to value, perhaps more than the formal mechanisms:

We can discuss stuff, we're really open and honest. It's not structured and formal but you do feel quite supported by the people you're with on a day to day basis. [The chief executive], because of the way he is... even after being here for a few months, I realised it would never be a problem to go to him and say "can we have a chat". I think that's who he is as a person rather than the way the organisation is structured.

(Organisation B, Paid Officer [+ 2 x Paid Officers & Chief Executive])

I've one to one supervisions with [the chief executive]. I mean... if anybody was stuck we'd just tend to pull in and just club together. So we're not sort of, oh well, you're on your own or whatever, we recognise when people are struggling and just support each other because of how we've evolved. We've all got different [official] lines of support but we all do the support.

(Organisation A, Paid Officer [+ 2 x Paid Officers])

Within organisation A there was a high degree of consistency between the organisation's charitable object of assisting people with learning disabilities to realise their full potential and the organisation's commitment to developing its own staff and trustees:

I was unemployed for fifteen years because of my learning disability. I came as a volunteer, but I'm now a paid employee.

(Organisation A, Paid officer [+ 2 x Paid Officers])

I'd worked at the organisation beforehand for about five years. After I'd left and got another job they asked me to come back to be a trustee.

(Organisation A, Trustee)

In contrast to organisations A and B, the narratives within organisation C were less consistent:

We've got... the usual policy on staff supervision, on annual appraisal. Then there's the independent pastoral support. So those are the formal structures. And then there are the informal ones... there's quite a sense of community.

I have to be honest and say we have a limited budget for staff training and development and therefore I have to be a little bit entrepreneurial about making sure we access those possibilities.

(Organisation C, Chief Executive)

There are policies that supervision should take place. I've had one supervision... so should take place. Also, we do have staff prayers on a morning. And we have the staff lunch once a week.. trustees are invited to that. How people group themselves together once they come to the lunch... so what I think I'm saying is, there's structures and policies in place but how effective they are, I'm not absolutely sure.

(Organisation C, Paid Manager)

Interestingly, when asked about the support available to employees, the chair of organisation C focussed on his direct role of supervising the chief executive. The expectation was that the CEO would ensure the same process was in place for the wider staff team. However, how consistently this was applied, as the inconsistencies reported above suggest, was not apparent.

The following passage is from the author's initial observations regarding organisation D's approach to human resources:

The Director took an informal approach with staff – on a number of occasions he was politely interrupted by members of his management team, who obviously felt comfortable approaching him in this way. He also eats lunch with staff on a daily basis and flits around the tables in the room. The Director explained how he had disbanded his predecessor's weekly team meetings because they were unproductive and, instead, introduced a system whereby the entire staff team have a tea/coffee break in the café for an 'informal' get together when the museum opens.

That said, this surface informality was clearly underpinned by a more formal approach to the basics, including the introduction of job descriptions and a raft of policies and procedures for all staff (paid and volunteer – the term volunteer is not used within the museum). However, my visit did leave me with a number of questions: is the organisation run as democratically, with as much staff/volunteer involvement, as first appears? And are staff and trustees signed up to the Director's business like vision for the museum?

(Author's observation notes – inception meeting)

The interview process revealed that, in relation to support for staff in organisation D, interviewee's discourses centred on training staff, usually within a closed formal 'corporate curriculum' focusing on vocational courses of direct relevance or benefit to the Museum and to the trainees role:

[A colleague] has undertaken courses... she's taken two NVQs. I'm taking the Cultural Heritage NVQ along with a couple of the volunteers. And... that's all supported through work time and the business. The kitchen staff go through food hygiene, that sort of thing. So they go through the qualifications that they need to.

(Organisation D, Paid Manager [+ Paid Manager])

It was made clear by one interviewee that training was provided "simply because we are aiming for accreditation and we need to make sure that they [staff] are fully aware of what's expected" (Organisation D, Paid Manager). Indeed, the organisation's equal opportunities policy, contained in the staff handbook, states that "the talents and resources of the workplace will be fully utilised to maximize the efficiency of the Museum". On reviewing the handbook, the author found that it contained many

policies and statements to inform staff what was expected of them, in terms of standards of practice and behaviour, but little in the way of how staff would be supported in their role.

The impact of short-term funding on the human resource of organisations A and B was raised by interviewees (see figure 6: E3 - O5). However, this issue was highlighted in chapter 7 through the exploratory data underpinning this thesis and will not be discussed further here.

Considering the boxes extending from the HR system (O5) component of the heuristic in figure 6, the case study data, again, highlights some notable differences in the case organisations' approaches to developing, supervising and holding to account their workforce. While all four case organisations had adopted formal policies relating to supervision of staff, the motivation for and aim of such processes appeared to differ between them.

Interestingly, the workforce in organisations where trustees and senior management were more concerned about employees' experience of HR practices than the development of rigid policies were often more positive about such procedures than those where trustees/senior management were motivated to establish formal policies in order to meet their obligations as employers.

These, and related issues will be discussed further in section 9.4 and chapter 10, but for now the implication is that human resource sustainability requires consideration of how the structures, operation, priorities and values that organisations promote in managing and developing their workforce, contribute to the long-term success of the organisation.

9.3.3 Funding and financial management

Diversification of funding sources was seen as a crucial element of each organisation's overall funding strategy (see figure 6: O4 – E3). Organisation A's 2006 annual report notes that the organisation "Had a successful year financially with income increasing by 25% on 2005/5. It is our aim to continue to increase sales, expand new markets and become as self sustaining as possible within the restriction of our objects." Decreasing the organisation's vulnerability through generating more earned income was certainly a key goal amongst interviewees:

Ideally, we'd be in a much better position if we could be less grant dependent and much more able to be sustainable... grants are much harder to get nowadays and, because of the way that we work, our own costs are much more expensive than other organisations.

(Organisation A, Chief Executive [+ Paid Officer])

Organisation C's 2006 Report and Accounts also states that, in terms of plans for the future:

The charity is focussed on developing additional sources of revenue income, including the acquisition of new donors, extending Give as You Earn, consideration of setting up a Social Enterprise and the planning of more events and sponsorship.

(Chairman's Statement, 2006 Annual Report)

Organisation C invests substantially in developing a broad resource base, which has previously benefited the organisation significantly in a time of financial crisis:

When we had a financial crisis I wrote to [the database of individual givers] and said, we're in trouble and the response was tremendous. You've got 4,000 people on the database you can write to if you've got a problem. Now you can't do that too often but they did respond very well to... tide us over. So that's important. Then you've got the corporates... they tend not to give money directly but they do an awful lot to help in all kinds of ways. So the challenge is being effective and efficient in each of those areas. Of course the other final source is through helping the government deliver their targets and that's a different set of skills again all together so we've got to relate well to... individuals, committed [people of a particular faith]... corporate business and then the Government, and I think that's part of our challenge, is actually being able to relate right across the board. No wonder we've found it difficult [laughing].

(Organisation C, Trustee)

It was suggested that some tensions had arose in trying to relate to and develop new sources of support while simultaneously trying to maintain the charity's traditional resource base (see figure 6: E3 – E2):

In this very room we've had arguments... it's one lot of publicity appeals to one group and one lot of appeals to the other so... the Fundraising Director, he was always producing stuff which would go down well amongst the corporates. It always looked like a Bank's stuff which is great for the Banks and their employees but for our traditional givers, hopeless, because it looks as though we've wasted thousands of pounds on publicity... and [the Fundraising Director] didn't understand... it has been a source of great tension.

(Organisation C, Trustee)

Organisation D is in a somewhat different position to the other three cases in that it has been very successful in developing and exploiting its income generating potential, to the extent that the vast majority of its income is earned and unrestricted. In general

terms, the small proportion of voluntary income received by organisation D is usually in the form of legacies, and grants which are restricted for the purposes of purchasing/restoring specified artefacts. The earned income is generated by a combination of the trading subsidiary and the charity generated income from admissions. Interviewees reported that increasing visitor numbers and corporate business had formed a significant part of their overall fundraising strategy.

Within organisations A, B and C the trustees retained a focus on protecting the organisation's identity and maintaining integrity (see figure 6: O1 – O2) within the fundraising process, particularly in terms of the source of funding:

We're pretty clear about who we are and what we are and that's part and parcel of the bid so... people will give us money on the basis of that... we don't tend to make any adaptation as to who we are.

(Organisation A, Trustee)

The trustees have decided that for core funding, we won't accept any government funds. So it all comes from grant giving trusts, which can be a bit strained, but it gives us the ability to lobby as an organisation. It's definitely a value based decision, an ethical decision, and I think that's good. It does make our life difficult [in terms of fundraising] but not impossible. But I think you gain a level of credibility.

(Organisation B, Paid Officer [+ Chief Executive])

Issues of principle come to us [the trustees]... so we're a [faith based] Charity so there may be some bodies with a big moral question mark... whether you should receive funding from that source, so those come to the trustees... that wouldn't be the responsibility of the chief executive, it would come to us.

(Organisation C, Trustee)

There was some evidence of mixed opinions amongst organisational members regarding the decision to not engage with National Lottery funding within organisation C, and it was clear that there was a strong argument for accessing National Lottery funding, at least from a fundraising perspective:

The trustees of the charity place some restrictions on what we can access so the trustees, erroneously in my view, would see that alcohol and gambling are some of the besetting issues that cause the consequences of homelessness. So consequently we'll not take funding from the Big Lottery Fund or from a brewery. I'd take it but that's because I've got no principles. Well, that's not strictly true [laughs]. I think I've got some very robust arguments as to why we should take that funding.

I would very rarely personally say no to free funding. I'm much more likely to say no to constrained funding, even if it looks like it comes from clean sources. So... we were offered a major piece of funding by one of the local colleges. They had a project to deliver which was about individual educational profiles being delivered to socially excluded people, and we were

asked to be a partner, and to get up to 50 individuals who use our services to fill in an individual educational profile. For those individual educational profiles we'd get £50 funding for every one. For every person who went on to a course we'd get £300. For every one who went into volunteering we'd get £400. For every one who got a job we'd get £1,000.

I had every confidence in our clients being able to do that quite successfully, but I was talking to the member of staff in the college who said, "You know, you need to get the individual educational profiles filled in really quickly; the 50 that you get filled in are worth £50 each, and then it doesn't really matter if they don't fulfil what's on the individual educational profiles", which is at the point where I said, "Well, actually it does. It really matters because if we've got our worker to sit with somebody and say, 'I really believe that you could do this', but actually we have no intention of seeing that through, it does matter". That's not what we're in the business of.

(Organisation C, Chief Executive [+ Paid Manager])

There was a general notion that, in practice, organisations were often relatively pragmatic about setting constraints around funding sources as a matter of survival:

A lot of the money, for example, the [prominent name] Foundation, clearly that money comes from the [prominent name] Merchant Bank. Well, I personally might have issues with the notion of merchant banking and their moral base. But it's very difficult to articulate that unless you can identify how they might have practised unethically. I guess in some ways we have to rather not look too closely. Probably it's where you draw the ethical line, I guess.

(Organisation A, Trustee)

I think everyone falls victim to mission drift at times because you have to. You have to go with the times. It's a very difficult balance. Especially small to medium sized organisations, sometimes you've just got to chase the pot at the end of the rainbow. And you find that a lot even with bigger organisations like the Citizens Advice Bureau, working for them I found we were constantly chasing pots at the end of the rainbow. It was like, what can we do next? This is going to run out, what can we do? I don't care what it is.

(Organisation B, Paid Officer)

Despite this, each of the cases displayed a deliberate avoidance of creating an excessive reliance on a single source of funding not controlled by the organisation, as this would leave it vulnerable to shifts in providers' policies or perspectives:

Part of it is the whole business of to what extent can you remain... in control of the agenda because inevitably as you know, there's been several big changes in the relationship between the voluntary sector and the public sector and it's all about contracts and commissioning and... I think one of the things for our trustees was we didn't want to be in a position where basically somebody else controlled what we were doing. I think it's principally about the ability to say, actually, are we being driven down a road that we are not really comfortable with in relation to the basic principles of the organisation.

(Organisation C, Paid Manager)

Two directors of national museums have said to me in recent months, "It may sound funny, when you know how many millions we get to operate, but we actually would prefer to be like you, because you're free." And in a way that's one reason why I've not been too bothered about not being linked in with major funders.

(Organisation D, Chief Executive [+ Trustee & Paid Officer])

Concerns surrounding full-cost recovery and core funding were raised by interviewees, particularly those in organisations with limited unrestricted funds due to a significant reliance on project-based funding. Again, these issues were presented in chapter 7 through the exploratory data underpinning this thesis and will therefore not be discussed further here.

The notion that diversification is a crucial element of funding sustainability, particularly in terms of maintaining autonomy, supports the findings of the exploratory phases of the study. However, the case study data illuminates some important issues in relation to the funding and financial management component (O4), the funding environment component (E3), and the interaction between the governance (O1) and HR system (O5) components of the heuristic, which go beyond the exploratory data.

The case studies suggest that the trustee board's role in relation to resource decisions often centres on issues of principle in order to safeguard mission and values. Although these findings show that many trustees and staff take a pragmatic stance to their funding sources as a matter of survival, it also demonstrates how some organisations set clear parameters about from whom they will and will not accept funding. While this in itself may be considered to be good governance practice in terms of maintaining independence and autonomy, as suggested in section 8.2.1, it can be a source of tension within the organisation for those members of staff who are operationally responsible for securing resources for the continuation of organisational activity.

A key issue here appears to be *how* decisions are made. Where discussions offered the opportunity for joint dialogue between the trustee board and the staff responsible for fundraising, the decision not to access certain funding streams was legitimised, even by those individuals presenting a case for accessing the funding stream in the first place. Conversely, where the decision not to access funding was taken at board level with no reference to staff, who then felt the practical implications of that

decision were not being considered, tensions were evident. The findings presented above therefore suggest that organisations should consider the way in which the *process* of decision-making may serve to legitimise or undermine the *outcomes* of decision-making.

9.3.4 Collaboration and partnership working

Relating effectively to organisations within the external environment was seen as a fundamental strategy for success within each organisation:

We very much foster a collaborative approach. So the general instruction I have from the management committee is that we want people in the tent rather than outside the tent and we should work to accommodate what they want. The other thing that I suppose makes us unique is that we do not...we don't provide any service that any member organisation could provide.

(Organisation B, Chief Executive [+ 2 x Paid Officer])

It's important to be seen to be part of the museum mafia. And I say that in the best possible way. I think we have very good relationships with the other museums [locally]... we have good contacts with the Parish Council and I think it's always to the advantage of a business to keep in good contact with anybody who can be of help.

(Organisation D, Chief Executive [+ Trustee & 2 x Paid Managers])

Organisation C's emphasis on partnership working was expressed both by interviews and within the organisational documentation. The Chairman's Statement in the 2006 annual report for example, states that:

Partnership is a key priority for [organisation C] – and we are concerned to involve new allies in joining those who have been supporting [organisation C] over many years.

(Annual Report, 2006)

For organisation A, the criteria for selecting successful partnerships was to seek out organisations with a similar ethos to theirs, or at least those with an appreciation of their approach, rather than distinguishing between sectors:

[We work in partnership with] loads of organisations. There's some voluntary organisations we wouldn't work with. Because we feel that they would overtake our politics or they wouldn't listen to us. We've got a funding application that we've done jointly with [a local] university and the reason it's been successful is because the person we're working with is a disabled person and we have the same politics. We're doing another partnership project with a voluntary sector organisation which actually is much more fraught even though it's a voluntary organisation because I think... they find it really hard to understand the way in which we work.

(Organisation A, Chief Executive [+ Paid Officer])

The chief executive of organisation B highlighted how the organisation had been approached regarding a number of potential merges, which the management committee had given careful consideration to. Their decision centred, to a large extent, on the degree of fit between the organisations:

There was one small grant-giving trust that works a lot in the offending field and they were very keen to merge with us and bring their money with them, and the Management Committee decided not to pursue that at all and there've been a number of approaches to us about mergers, three in fact... and one of them was accepted and two were refused so... they consider very carefully that sort of stuff.

The two that weren't accepted, one was, I suppose in all honesty, a genuine lack of trust in the organisation that was proposing the merge and the second one that was rejected, there was a lot of trust and goodwill towards the organisation so it made it more difficult but it was a feeling of it just didn't fit. The one that was accepted was accepted on the basis that...the fit was good, it would bring skills into the organisation that we didn't have.

(Organisation B, Chief Executive)

There appeared to be an increasing focus on partnership working with statutory agencies within the case organisations, particularly those aiming to bring about social change (organisations A, B and C). Organisation C was increasingly engaging with the corporate sector as a means of securing 'in kind' support.

Despite the tensions that can be present in collaborating with other organisations in various sectors, the case study data supports the findings of the exploratory fieldwork reported in chapter 7 regarding the perceived importance of networking and collaboration to organisations' long-term futures. In the context of organisational sustainability, and the heuristic presented in figure 6, case organisations constantly sought to work in partnership with others in order to achieve more than they could on their own. In this way, organisations that are operating against a backdrop of constrained internal financial resources use external relationships and networks as a form of resource to further their agendas and activities. Conversely, organisations also decide against forming new relationships, or de-couple from existing ones, when there is a perceived threat to their own resource base. Collaboration can thus present both opportunities and threats to organisational sustainability, which deserve thoughtful consideration.

9.3.5 Service users and beneficiaries (see figure 6: E2)

The formal strategy of organisations A, B and C is, (unsurprisingly) given the nature of their charitable objects, aimed at bringing about social change. Again, this was corroborated through the interview process:

We want to see some sort of societal transformation, whereby civic society accepts some responsibility for that particular group within society; so whoever they might be, you know, young single mothers or rough sleepers or asylum seekers they are seen by society as having the right, as human people, to some sort of support and sustenance.

(Organisation C, Chief Executive [+ Paid Manager])

Due to the nature of the work of these organisations, it was acknowledge that their ability to affect big picture change for their beneficiaries (and ultimately their own sustainability) was, to some degree, dependent on operating within a coherent funding and policy framework (see figure 6: E1 – E2 – E3):

I think we need a general political climate within which the needs of [our clients] are seen as having to be met within a policy framework. I think... if we lose that... we'd become vulnerable then 'cause... we'd probably be less likely to get Government funding... so it would cut off effectively one source of funding and also our voice wouldn't be heard. If that climate changed I think that would create a serious threat to our sustainability.

(Organisation A, Trustee)

In terms of the actual organisation, there's a challenge in maintaining enough credibility for grant giving trusts to want to fund us... and that credibility is gained from actually delivering services to voluntary sector organisations. The other element of our work is always going to be reliant on how good our partnerships are with other agencies in the criminal justice sector. So we need to maintain our strategic partnerships and also be seen as an organisation that isn't necessarily biased, but is a just organisation. That we will always work in terms of the interests of offenders.

I think it's also key to be seen not to necessarily be working against government when it's trying to do something. We don't have enough clout to actually form policy from its outset, governments are always going to decide what direction they want to go in and we've just got to make sure that it's the best it can be. So we've got to maintain our relationships with statutory organisations.

(Organisation B, Paid Officer [+ Trustee & Paid Officer])

Organisation D is somewhat different in this regard. As the organisation is run as an 'attraction business', the management team's primary focus is maintaining/increasing visitor numbers and subsequently their earned income. Organisation D's 'Forward Plan' is therefore a largely internally focused document with the key aim of "maintaining visitor numbers and remaining financially viable in a new century, in

order to present to younger generations a more dynamic interpretation of events and artefacts from years gone by". The plan thus has a very operational focus and emphasises the development of organisational policies (particularly in relation to Health & Safety) and the physical site, including their collection of artefacts and buildings. Indeed, the plan explicitly states that:

The Museum regards its site as an historical artefact in its own right. Every effort will be made to identify, preserve, maintain and develop the historic... features of the site, subject to health and safety considerations and current visitor and museum requirements.

(Forward Plan, 2001)

Maintenance and development of the site was also reported to be of great importance by interviewees. The main exception to the internal focus within the Forward Plan was an ongoing target of extending and maintaining "the educational effort". This educational role is rooted in the objects of organisation D as a charitable institution, and was seen by most interviewees as crucial to the Museum's future sustainability.

Supporting the discussion of the exploratory findings in chapter 8, case study participants explicitly recognise that their ability to bring about social change in accordance with their aims is, at least to some degree, dependent on the funding and policy environment they inhabit. As such, organisations devise various approaches to achieving change for their beneficiary group. A key issue in relation to the heuristic presented in figure 6, is *who* sets the agenda for change at the organisational level.

The case-study research suggests that some organisations provide mechanisms to ensure beneficiaries are central to the change agenda through extensive consultations with members and service users, ensuring involvement in the governance of the organisation through constitutional provisions, or providing employment to the target client group. Others recruit staff and trustees who are perceived to be the experts that possess the necessary knowledge and understanding to identify the issues for the target client group and what action should be taken by the organisation on their behalf. In a policy environment where (financial and political) support for voluntary organisations is often built upon their democratic credentials and ability to involve 'subordinate' groups in social policy (see section 2.1 and 2.4) and the scope of accountability is expanding (see section 2.3) user involvement may become an increasingly important consideration in organisational sustainability.

9.4 Social Dynamics and the Strategy Process

Section 9.4 now explores social dynamics and the strategy process within the four case organisations. Sub-section 9.4.1 presents data relating to intra-system dynamics (dynamics within the HR system and within the governance system). Sub-section 9.4.2 then presents the data pertaining to inter-system dynamics (between the HR and governance systems) and, finally, sub-section 9.4.3 presents the data relating to the implications of social dynamics in developing organisational strategy. The whole of section 9.4 thus focuses primarily on the central components of the heuristic in figure 6, highlighted in black.

9.4.1 Intra - system dynamics

Throughout the research process, interviewees within organisation A and B appeared committed to creating an open work environment which facilitated informal learning, collaboration and creativity within their staff and trustee teams:

That's one of the things I like... that we work in an environment that's open. I feel that if I'm struggling with something I can go and say I'm struggling, I don't have to keep it covered up and pretend that I'm ok. Everybody learns from each other. The principle of being open and sharing and making things accessible goes through the whole organisation.

(Organisation A, Paid Officer [+ Chief Executive & Organisation B, Paid Officer])

We're very, very fortunate in that the trustees are all extremely nice people who get on well together. There's nobody with an axe to grind or wanting to build an empire. Having talked to other people, I realise now how lucky we are because an awful lot of them have told me about the fighting and how they've all got different views on how the organisation should go, but our trustees... I'm not saying they've all got the same view, they haven't, but they all want what's best for the organisation. So yes, they have different ideas, but they come up with good solutions.

(Organisation B, Paid Officer)

The following passage is an extract from the author's observation notes following her inception/scoping meeting with the chief executive, and notes the informal arrangement of the physical space within organisation A:

The informal atmosphere within the organisation was noticeable – staff, including [the chief executive], were very casually dressed and the chief executive's own desk was situated amongst everyone else's. This is, in my five year experience of working in the voluntary sector, the first time I have seen the CEO of an organisation share an open plan office without having their own 'private' space. Indeed, we conducted our initial meeting in the open plan office.

(Author's observation notes)

On a subsequent visit the chief executive explained why she felt an open environment was important:

I think it's important that people know what I do, or see me or listen to me... if I'm on the phone it's not some big secret thing. So it's really important I think that there aren't secrets and that things are open and that everyone can access the files and that things are accessible and that people... because those are all things about people feeling respected I think.

(Organisation A, Chief Executive)

A further example of the informal culture underpinning organisation A, was expressed by the chair of the trustee board, who appeared much more interested in the actual practice of the organisation and peoples experience of it, rather than the formal policies and procedures that could be developed to control behaviour. In contrast, the chairman of organisation C was very focussed on “tightening control and ensuring policies are in place”. It was suggested that previous financial crises within the organisation were, at least partly, due to poor financial governance on the part of the ‘old’ board of trustees, prior to the structural changes introduced by the relatively new chairman:

We go through regular financial crises and weathered one last year...now at that time I wasn't the Chair of Trustees. I was the Executive Trustee in charge of the Management Committee and I felt my role then was whistle blower. I could see things were going pear-shaped financially and no-one else would do anything about [laughing] it so I said, guys, we've got to focus on this. It's extraordinary how the Trustees, these eminent professionals, allowed that to happen in my view. Why had no-one stopped it, why had no-one said, where's the strategy here? The only strategy was we were heading towards bankruptcy long-term.

Being a [faith-based] organisation you get the added thing of people sort of saying, well, we'll trust God. God will provide, which He does, but there's the danger that slackness can come into thinking and that faith can become negligence. Now, I'm not being too harsh on them. They've done a lot of good work but I think it is a challenge to go forward.

(Organisation C, Trustee)

It was reported that there had also been significant changes in the nature of organisation C's workforce throughout its 76 year history. This was not always seen as a positive change, and raised questions for the author in terms of how valued paid staff actually were within the organisation:

One of my priorities for development in terms of the charity is to revert the charity to being a voluntary charity supported by staff rather than a staff charity supported by volunteers. I think as we've tried to become a little more professional in the work that we do, not to be so [name of religion] and amateurish, we've lost the edge of being a voluntary charity where staff do

highly specialised jobs and we've become a staff charity where staff do everything and the volunteers get the jobs that nobody else wants, and that's the situation that I inherited. Although we'd never say that publicly I think that's the reality, and that's a shame because the vast majority of the volunteers that we have come with tremendous professional competencies and skills, probably of a higher order than the paid staff are.

(Organisation C, Chief Executive)

Interviewees in organisation D also report that, since the 1980s and particularly since the millennium, the organisation has evolved from a volunteer run organisation to a 'professionalised' entity:

As the museum grew it became obvious that there had to be some structural changes – it was virtually a volunteer organisation until the late 1990s. But what we [the 'renewed' board] brought to it was a business sense, and we look at it as a business. Because to look at it as anything else would end up leading to the eventual demise of the Museum because it's got to be run as an attraction business in order to pay the bills.

(Organisation D, Chief Executive [+ Trustee])

In contrast to organisation C, it was the volunteers within organisation D that had historically been seen as a problem area by senior management and the trustee board:

Volunteers, sometimes they just want to do what they want to do and they want their unpaid contribution to be recognised... over the years there has been, some sort of friction around some groups of volunteers and individuals but I suppose all organisations would have that but at the moment that seems to be very much reduced, which is good. I think people who come here know what is expected of them and they're a tremendous asset to us but it's a small paid group of people who are taking the decisions and getting things done.

(Organisation D, Trustee [+ Chief Executive])

It was evident from the author's initial inception meeting at organisation A, and subsequent interviews, that interviewees felt that the internal culture and ways of working should be consistent with the values they express in their service work:

It soon became clear that the process of how things are done is as important as what gets done within [organisation A]. This was perhaps most clearly expressed in the Chief Executive's commitment to set up an effective Board who would monitor her actions and decisions and have regular informal contact with staff so they could raise any issues with trustees in an informal setting without having to go through her. She was very aware of and explicitly made reference to power issues and appeared to engender the antithesis to a command and control environment within the organisation. This was perhaps the result of her obvious passion to promote the rights and reduce the inequalities experienced by certain sections of society.

(Author's observation notes)

I think because we as an organisation go about changing things outside of the organisation it's really important that we change things within the organisation. So it's trying to work with people so the culture in the organisation and the atmosphere is one where people can... say if they're not happy about things, which I think people find really hard to do. But that's much better than people whispering it behind whoever's back. We don't just accept how things 'should' be, we're always trying to change things and that thing about the process is really important. So if we don't get the process right then the end result is never right.

(Organisation A, Chief Executive)

Whether this was the case in organisation C appeared debatable:

If you feel you're known by name [by the trustees] and as a person I think there is a sense of value in that you are valued and you do count in the development of what's happening. I suppose if you're only known as a dot on a piece of paper, ruthless decisions can be more easily made in terms of business development as opposed to person centred enhancement. Which is a slight shame because the whole organisation is really about people. And so in some way you need to sort of keep that.

(Organisation C, Paid Manager)

Additionally, in the Foreword to a book published by the organisation about its history, a prominent local faith leader comments, “The secret of [organisation C] is that those who come through the doors are accepted as they are.” Throughout the research process, interviewees often associated the uniqueness of the organisation with its faith-based ethos and (often linked to that by participants) the way in which services/activities are delivered to clients:

Often people come to us because they've been disengaged for an extended period of time, and I think, if I'm honest, some of those people need a very light touch, very few rules and restrictions and criteria, if they stand any chance of accessing mainstream services. And that's not a criticism of mainstream services. If you're operating a major statutory piece of work in an urban centre like this there are certain policies and procedures that need to be adhered to. That's the very process that excludes some of the people that we serve.

(Organisation C, Chief Executive [+ Paid Officer])

While the author's observations would support the notion that clients are 'accepted as they are' by the frontline staff working directly with them, it was less evident that there was such acceptance (or perhaps tolerance) at a governance level on a number of levels. Firstly, it became apparent at the trustee meeting, which the author observed, that there was an assumption (perhaps simply due to her presence) that she was of a particular faith, with one trustee leaning over and asking whether she was connected to the place of worship where the meeting was being held. Secondly, within the conduct of the meeting, there was a great deal of dialogue about

maintaining control of the organisation's faith-based ethos. There was, for example, a lengthy discussion about whether the organisation could (legally) "get away with" insisting the Managing Director of the proposed social enterprise be of their particular faith, despite the fact that "he" would not be 'preaching' within "his" job role. This appeared to be on the basis that a MD not of the required faith would be less inclined or able to operate ethically and with integrity. A wider discussion ensued, which culminated in one trustee declaring his concerns about any faith/non-faith partnership, at which point the Chairman pointed out that while all paid front-line staff were of a particular faith, the organisation's volunteers were a mix of individuals of that faith and people who were simply sympathetic to the organisation's cause. In response, the initiator of the discussion reported having "an issue with *that* which [he] would address out of the meeting".

Within organisations A and B, the chief executives' desire to create an internal environment where people were free to challenge appeared to have been achieved:

In the last team meeting, [one of the project workers] who's a person with learning disabilities brought up about volunteers not being paid enough money for lunch and I made a joke about it and then we sort of brushed over it... and then spent quite a long time talking about how we were going to keep the cameras safe. And he got really cross... he felt in that instance the things that affect people with learning disabilities were taken much less seriously than... where you keep the cameras and setting up a system. I got a bit defensive because I had made a joke about it. But it was a constructive thing.

(Organisation A, Chief Executive)

I like [coming into work on a morning] because there are lots of strong characters in the organisation. It's very difficult to get away with a half-baked idea... almost everything you say, someone's going to say, oh really, and why do you think that? If it's not the Management Committee then it's another member of staff...and I like that, all that excites me. So it's quite creative and... open, it just feels like it's always a challenge and interesting and you've got to be on your toes.

(Organisation B, Chief Executive)

In contrast, although informal integration was said to have been encouraged within organisation C and D generally, overall the managers and trustees of these organisations appear to be focussing on increasing managerialism and what could be seen as a command and control ethos and not on employee involvement and development:

I mean there have always been paid people at the Museum, but at one time it was a volunteer-run Museum. Nowadays I think we have to say that, we benefit hugely from the efforts of volunteers but perhaps a slightly more appropriate term now would be to call them unpaid staff because there are

posts for everybody, there are procedures by which the volunteers are...we make sure they understand what the health and safety and other policies are at the Museum and we control their work... the Museum is run by a small core of professional staff. In my experience we've benefited hugely from that... I particularly think that we've benefited from some control being exercised on volunteers because volunteers can be tricky.

(Organisation D, Trustee [+ Chief Executive & Trustee])

If you look at our [trustee meeting] agenda, we've got to have a process for creating...or for reviewing policies, creating the new policies, we've got to have a risk assessment and a mitigation policy, we've got to have a policy for trustee induction training and I delegated to four different trustees, looking at how we do all this. So when you get all that sort of paperwork I tend to sort of spread it out [laughing].

(Organisation C, Trustee)

It was also made apparent, by the Chief Executive of organisation D, that the change process had perhaps promoted the natural selection of more compliant volunteers, while those who were less accepting of the 'new' business-like strategy left the organisation:

In a way some of the stupidity with volunteers I suppose made me more determined. But it's been a real struggle at times. And touch wood it's really good at the moment. The thing, actually, was to wheedle out the troublemakers. And manage them to become supporters. Some of them walked off. I mean, some of them were a law unto themselves when I first came.

But I always said to people, from day one, even the paid staff, that I wouldn't put up with people walking out, I wouldn't have them back ever. Because it's like a dog that bites you once, it will do it again. And the problem is they spread the poison amongst others. And we have a team of volunteers now of which 95% weren't around when I took over. So there's a tiny minority who have baggage in the past.

(Organisation D, Chief Executive)

Exploring some of the dynamics within the governance system (O1) and within the HR system (O5) components of the heuristic through the case organisations highlights some important considerations for organisational sustainability. These issues move beyond those of formal structures, processes and roles, and relate to social processes, often underpinned by (taken-for-granted) assumptions about the nature of organisation and management.

Two distinct approaches were evident within the four case organisations. Two of the case organisations built board renewal into their governing documents, which was valued and promoted by those within the organisations as a means of effective governance. Members of these boards reported open discussion and debate and the

encouragement of different perspectives from individual members to generate creativity. At the staff level, there too was a focus on creating an open environment to foster information sharing and collaboration. Individuals' perspectives were actively sought, in both formal and informal ways, and were seen as legitimate regardless of their position in the hierarchy.

The remaining two cases had no formal provision for board renewal and reported situations where stagnation had resulted in poor governance decisions, which had threatened the future of the organisation. As a result, a core individual or group of power holders had initiated change within the governance structures. In terms of staff, there was an underlying expectation (and in one case a formal policy) that management, and their instructions, must always be respected. Challenge was not welcomed and any friction among key groupings of staff was seen as irrational and attributed to a lack of understanding about what was expected of them. There was evidence, in both cases, that this had resulted in the development of in-groups and out-groups and promoted the natural selection of compliant individuals.

If human resource sustainability requires the organisation to recognise and place value on human capabilities, an awareness of and willingness to challenge how organisational members apply social values to management and governance practices generally, and to board/workforce development specifically, will be central to developing strategies for sustainability.

9.4.2 Inter - system dynamics

Organisation A has undergone a significant period of change, initiated by a crisis, which almost brought about the demise of the organisation:

We had offices based in [the South of England] but the whole thing imploded. [The crisis] was due to the Board of Trustees not being closely involved enough for appointments and then lack of supervision of the [Southern] operation. Usual reasons why anything would collapse... the wrong people were doing the job and it wasn't being watched.

(Organisation A, Trustee)

The chief executive of organisation A explicitly associated the crisis with the nature of the relationship between the human resource and governance systems of the organisation, and the role the then chief executive had played in shaping it:

The board of trustees appointed someone else to be the director [in the South of England] and they asked me if I'd set an office up here. So there was an overall director and I was the co-ordinator. And basically what happened

was she was really awful and the organisation completely changed; it was the people with learning disabilities who were emptying the bins and she was going out to all these meetings. So the board took action against that... and they asked me if I'd cover the Director's role. She really misused her power... there are interesting points about the power of a director, how you make sure that the board knows really what's going on... because any director could argue anything to the board.

(Organisation A, Chief Executive)

One trustee of organisation B described her recent involvement in managing the closure of a voluntary organisation following the “disastrous appointment of a new chief executive subsequent to the retirement of the former CEO”. Again, this interviewee attributed the collapse of the organisation with a combination of poor governance alongside gross mismanagement on the part of the new chief executive. With notable similarities to the context of organisation A, there appeared to be issues surrounding the nature of the relationship between the human resource and governance systems of the organisation, which were a contributing factor to the organisation's demise:

Basically the Trustees were quite distant really from what was going on. There were three Trustees who were more informed and took more of an interest. The rest were very hands off. The Chairman was involved and had great integrity but they made the mistake of not having a 360° appraisal system for the Director. So the only information they had on what was going on was from the Director... who gave a completely dishonest picture... but because he was apparently a man of great integrity and capability they never really queried it. The staff themselves on a number of occasions considered formally going directly to the Trustees but for a variety of reasons decided that the Trustees wouldn't believe them or... what would the Trustees do about it or whatever. In a way the Director had been leading the Trustees rather than the other way round.

I was very full and frank to the Trustees and the Chairman in particular. I remember seeing his face, he was absolutely horrified, and I said to him, I don't want you to get it just from me because you're getting it second-hand, I would like you to have a meeting with the staff. They did not hold back at all and he came away from that and he looked absolutely shaken and very grim. It was a complete revelation. He'd had no idea and he was very confused as well because he felt that he'd been personally let down by the Director because he'd trusted him and he'd had no idea all this was going on. I mean, it collapsed... because of a combination of mismanagement, both in terms of the Director and the Trustees.

(Organisation B, Trustee)

Although not defined by the Chief Executive of organisation D as a crisis, and despite maintaining a hierarchical structure and culture within the organisation, he did note

the difficulties that can arise from one individual holding the power base within an organisation:

There needed to be structural changes... and even the board of trustees at the time had a really difficult time in trying to change the way that the Museum was run at a board level. The Chairman of the trustees was also the director... so you get a situation where a very powerful single person was in total complete charge of everything that went on and had no recurrence really to the Board.

To put in bluntly, it wasn't so much a coup d'état, but it came to a crunch in 1999. I think the previous Chairman really... was in his 80s, and really only saw it in the terms of his lifespan whereas we were trying to create something that would last. And there was a parting of ways. When this change occurred the board asked if I would take on a job as Museum director... and I insisted that... the Museum director must never be able to be the Chairman.

(Organisation D, Chief Executive)

Interestingly, while the Chief Executive of organisation D mentioned the importance of democracy on a number of occasions, both in terms of wider society and organisationally, the following passage highlights his alignment to certain individuals within the trustee Board and perhaps illustrates some of the power plays associated with such allegiances:

I'll give you a for instance. And I don't use this at all. But I used this for the first time probably in about three years actually. Most of the collection belongs to the Museum. And to that effect we have three [artefacts] within the collection of almost 50 that are privately owned. One belongs to a guy who is very ill... and he came to me and said, "I'm not very well, I don't want to drop down dead and leave this hanging, I want to sell it. It's worth a lot of money but I'd like it to stay here. We agreed a price of £10,000 and we don't normally buy artefacts. We normally try and get them given or I get grant aid. So I said, "Look I'm going to go and try and get some grant aid." I managed to get £5,000 out of the Science Museum, so I had to spend £5,000 of the Museum's money on an artefact, and I could have done it... but I wanted it to be seen to be a joint decision. I don't like... although I make day to day decisions on all sorts of things, I like to have the process.

So I went to [three trustees]. The Chairman's got the casting vote, so we had 2 trustees, the Chairman with two votes, and me, that's five votes. So we had a majority vote anyway. So we went and got it and then announced it at the next trustees meeting that we'd done that and said to the other three trustees, "I know we didn't contact you but I trust you're happy with this." Yes, absolutely endorsed it. So, we can use the trustees as immediate vote takers for quick decisions you see.

(Organisation D, Chief Executive)

Despite the difficulties experienced by organisation A, it was felt that the incident had provided a learning opportunity, which had significantly influenced the practice of the organisation, particularly with regard to the relationship between the staff and board:

Part of the job of a director is to get a strong board but if you've got a director who's not very good and they don't have a board that's at all active then they have more and more power... that was one of the problems [we had]. She didn't let the workers have any contact with the board, ever, and then presented the board with anything.

But I think good things have come out of it... I realise how important it is that staff, volunteers and the board have really strong communication to each other. It's how you make sure that if a director leaves the organisation, the workers and the volunteers, are strong enough that if someone comes in with a really bad attitude... people will do something about it.

(Organisation A, Chief Executive [+ Trustee])

I think that relationship makes the board less detached from the workers on the ground, because they're not sat up in this hierarchy. I don't feel like it's all going on and I'm not contributing... that out of control feeling... and decisions are just being made. I feel that if it came to it, I could walk in there [the board meeting] and say "this isn't ok", not that I've ever needed to, but I wouldn't feel frightened to do that or intimidated.

(Organisation A, Paid Officer)

Similarly, every interviewee from organisation B expressed the view that the relationship between staff and trustees is crucial to the long-term success of the organisation:

Here, it's kind of a two way relationship which is what it needs to be. One project that I work with... I'd talked to the project manager and she was saying that she could never get the trustees to do anything. And then I talked to someone involved with the trustees and I said to her, "I just think you might want to re-look at the membership of your board and what they're doing and what their priorities are." And... got a tirade of, oh, they're skilled in this area and this area. But... to me, that's not understanding the relationship between your board and your staff members, it's got to be more than getting a pat on the back now and again.

(Organisation B, Paid Officer [+ 2 x Paid Officers])

In contrast, communication and the relationship between the trustees and staff within organisation C and D was formal and relatively closed, as captured in the following extracts from notes of an inception/scoping meeting and interview transcripts:

It appeared the links between trustees and the wider staff team within [organisation C] are weak; as a relatively senior officer, I was surprised that the member of staff I met with was unaware as to how many trustees there are. In addition, I have been told that I will not be allowed any form of contact with the Board – it is unknown at this stage who took that decision.

It was also interesting to note that the manager I met with had received notification that the Director's title had been changed to Chief Executive with immediate effect. This communication took place in the form of a formal written letter to each individual employee.

(Author's Observation notes)

That's [decisions about the future of the Museum] mainly through the board and filters down in newsletters and other forms of communication.

(Organisation D, Paid Manager)

Interestingly, between the initial scoping visit and commencing the fieldwork, the author was informed she could interview the Chairman of organisation C and attend a Board meeting. The nature of this change in circumstances was noted as follows:

Today, I called the liaison person at [organisation C] having not heard from her for a while, particularly as she had eluded to arranging my visit(s) to the organisation 'sooner rather than later' so I was beginning to worry that something had occurred which may have altered the organisation's decision to allow me access. On speaking to her, the contrary was true. She had managed to secure me an interview with the Chairman of the charity's board. In addition, there had been a u-turn and it had been agreed to allow me to attend a trustee meeting – something which is usually closed to even the organisation's senior managers. When I enquired as to whether she would be available for me to speak to, she explained that, as part of a restructure, she had been told that she was almost certainly to be made redundant the following day, and that not even her staff team knew. The commitment she has shown to arranging my site visits is amazing considering she has received such shocking and unexpected news of her own.

(Author's Observation notes)

A subsequent visit revealed that it had been assumed that the author would be unable to have any contact with the trustee board as that was 'standard practice'. However, on being told that she was at risk of being made redundant, the manager felt she could then ask the Chairman whether there was any possibility the author could be granted access to the trustees, as she "had nothing to loose". There appeared to be some tension and suspicion regarding this decision, with one senior manager seeming quite 'put out' that the author was attending a trustee meeting – something that he had not "been allowed to do".

Although one interviewee in Organisation C, like members of organisations A and B, felt that it was crucial to develop communication channels between the wider staff and trustees of an organisation, it appeared that this was not taking place within organisation C:

A trustee really needs to keep their hand on the organisation and really needs to know exactly what is happening at all levels. So they do need a good strong feedback channel... well, I believe from every area of the organisation. At one time our trustees had a series where they actually came to talk to the staff. And they would take it in turns to come to different venues. But that seems to have drifted off.

I think it is very segregated. I think communication... it doesn't flow. So I think there's definite strands. We've got our trustees, we've got our senior management, and we've got our workers. And... although there are tools for communication to take place it very rarely effectively happens. If you rely on it just coming from one source you're heading for big trouble.

(Organisation C, Paid Manager)

[The relationship between the staff team and trustee board] really happens through two people, through the CEO and, in our case, we have a strange arrangement, there's one other staff member, who's the General Manager, he's been in post about 10 years but associated with the organisation for a long, long time, so there's two of them relating to the Trustees.

(Organisation C, Trustee)

The relationship between the trustee board and wider staff team in Organisation D was also very much conducted through the Director, and this was often underpinned by language grounded in hierarchy:

It's a fairly traditional structure where you have managers in charge of teams and ultimately everybody is responsible to the director and the director then is answerable to the Board of Trustees. So the policy decisions are taken by the Board of Trustees and they are enacted then by the director or his subsequent management teams. And those meet on a regular basis and, again, there's a discipline that relates to how those fall into place. There's been a large number of people from [the military] who were involved initially and some of that has rubbed off on the way that subsequently people operate.

(Organisation D, Trustee [+ Trustee])

It would appear that the chief executive and chairman of organisation C intend to keep a very clear line between management and governance, thereby retaining a formal approach:

Historically there's been a lot of contact between the staff and the trustees... sometimes there's been a lack of understanding of roles and responsibilities within that. So my predecessor suffered quite a bit from staff going to talk to trustees. Those trustees should've said, "Have you spoke to [the Director] about this because I don't want to hear what you're saying until you've spoken to him?" I think he felt sometimes a little bit disempowered. Now, I'm not averse to picking up the phone and ringing a trustee if I think they have meddled in something that they shouldn't have and saying, "Back off. You've stepped out of your role now and you're entering mine".

(Organisation C, Chief Executive)

I think the main challenge I've had is sort of bad relationships with staff. Occasionally you get someone who's not quite fitting and it causes unhappiness. I think that's been the main challenge because the difficulty in that is it's hard to sack people so you might think someone's the source of a problem but you can't just say, right, you're out mate. You've got a procedure to go through.

(Organisation C, Trustee)

There was some indication that the current level of detachment, between trustees and staff within organisation C and D, has resulted in staff members being unsure of the role of trustees:

Oh dear, I'm not really sure [what the trustees bring to the organisation], because I always feel that they're very distant... I know we have the Staffing Sub Committee and we have this committee and that committee, but what they actually do? They're a bit of a mystery.

I'd like there to be more involvement. I think it would bring more understanding of the work and the pressure that we can be under... and we'd understand what they're... doing, which at the moment I'm not really sure.

(Organisation C, Paid Worker [+ Paid Manager])

I don't particularly get involved with the trustee side of things... obviously [the director's] involved with that. We do work closely with the trustees and we know who all of them are... and what's happening and quite often they'll phone up and have a chat... but in terms of the actual trustees and the Board and what they're doing tends to sit with the director.

(Organisation D, Paid Manager [+ Paid Manager])

In contrast with the other case organisations, interviewees in organisation D felt that the relationship between the staff and trustee board was inconsequential and not of great importance to either grouping.

The trustee board of organisation A, perhaps in response to the crisis described previously, introduced staff/board lunches prior to board meetings to provide an informal opportunity to share experiences of the organisation. Unlike the accounts from organisation C, there was a consensus amongst the board and staff within organisation A that these gatherings were of great value:

The trustee meetings always start with having lunch before the meeting begins. We're encouraged to talk with people at [the organisation] and have a laugh. I'd say [the relationship between the staff and trustees] is one of the most important things. I wouldn't like to work for a place where the trustees are sort of kept almost sealed off from what's going on every day.

I certainly think the relationship helps both ways in that as far as staff are concerned, the Board aren't seen as distant people making decisions which are then expected to be operationalised by them and equally Trustees want to be engaged with staff, feel more a part of the organisation... don't feel that they're there to make decisions in isolation from what people want. If Trustees are in and about having lunch, walking through the office then... we all feel as if we're in it together.

(Organisation A, Trustee [+ Trustee & Paid Officer])

Although organisational members within organisations A and B were very keen to maintain a separation between governance and management activity, they

nevertheless believed it was essential to foster an internally collaborative environment underpinned by an effective HR-governance relationship:

I think initially [the relationship between staff and trustees is] very important because it gives a bonding, there's a loyalty, there's a camaraderie. So it's good in the small first stages of an organisation. Later on, if there was too much involvement with staff you would be verging on interfering with operational matters and I feel very strongly that, managers manage and governors govern, you know, and there should be a clear distinction.

(Organisation B, Trustee [+ Paid Officer & Chief Executive])

I think if people feel trusted they will feel supported. If I was around every week, you know, nit-picking and counting paper clips then they'd begin to feel nervous and vulnerable.

(Organisation A, Trustee [+ Trustee])

Considering the heuristic in figure 6, the above data points to the level of influence the relationship between chief executive and chair has on the wider HR-governance dynamic and ultimately the way in which internal accountability (figure 6, component O3) is operationalised. Within four case organisations, participants recounted three instances where inter-group relationships between the HR and governance systems, largely shaped by the chief executive, had either threatened or brought about the demise of an organisation. The common factor in all three cases was that trust had been placed in the integrity of chief executives to act in the interests of other people and provide an accurate representation of organisational reality to the trustee board. This study would suggest that is a naïve assumption and one that can prove to be a serious threat to sustainability.

9.4.3 Implications for strategy development

Within organisation A and B, significant value was placed on the processes by which outcomes are achieved and there was a commitment throughout all levels of the organisations to locating decisions in democratic discourse:

The Management Committee agreed that we should do a strategy review and I thought, oh, yeah, I'll write it in a month and it'll be fine. And then... the woman who's leading on it for us said this is going to be rubbish [laughing]. If you do this, we're going to end up with a strategy that goes to the Management Committee, they're going to put it on the shelf and it's not going to change anything. You know, we need a discussion in the organisation that's going to get people thinking about it, that's going to get them involved in it and it's going to get us moving in the direction we want to go.

(Organisation B, Chief Executive [+ Organisation A, Trustee])

In contrast, and despite much rhetoric about staff, volunteer and user involvement, there was some suggestion that staff involvement in organisational decision-making within organisation C was restricted to low-level operational matters and that their input was usually in response to formal, top down communication/consultation:

If I move forward some vision or agenda about the way that we offer services, the times that we open, the kind of services that we offer, the way we use the building, I'll tend to kind of put that as a proposal and then put that to staff and then to service user consultation. Now, you know, it could be seen that that's a quite a top-heavy way to do it, that I'm a bit of a control freak and I need to make sure that all the decisions come from me. Which is absolutely true 'cause I am [laughter]. I don't want you to think that I'm trying to duck that, because I'm a total control freak. But, hey, that's life.

But, again, the role of leadership is to lead. So you can't consult forever because actually that is also de-motivating for the staff. Because, you know, there's a difference between consultation and just being paralysed and never actually doing anything.

(Organisation C, Chief Executive [+ Paid Manager])

Staff members themselves did report that they had been consulted, but again expressed that this related to practical operational detail. Staff members, including relatively senior staff members appeared less aware of the discussions and developments that were taking place in relation to the organisations future:

I know that there's lots of things in the pipeline. But what all these things are... I don't know.

(Organisation C, Paid Officer [+ Paid Manager])

In terms of organisational strategy, both organisation A and B identified the need to integrate rather than separate the process of strategy development and implementation:

My experience of voluntary sector organisations is that they tend to ignore the experience of the staff and... it seems to me like they are a real resource and we should listen to what they say. Secondly, it also feels like a lot of them are working at a level that I'm not, so I don't really know what the feeling is in the regions of how the regional work is going.

I know, if I go to the Management Committee first, I'll get a lot of, what's happening in London, SW1 stuff...that's important but if we're doing this policy scan anyway I don't want to start with that. I'd rather try and start with what we think is happening on the ground and then match the two. And also, I'm very aware that ... we've got a really good staff team at the moment and I want us to make sure we end up with a strategy that we can deliver on, rather than something which is just going to cause huge upheaval in the organisation.

(Organisation B, Chief Executive)

Recently we've been discussing the organisation moving forward and [the trustee board] said, well, let the staff and volunteers decide... basically our job or role is to ensure that the organisation stays within its mission statement. If we felt they were going off doing something that wasn't within that then we'd be reeling it in but it's largely up to them to do it and, if we start dictating to them, that's when we'll get a breakdown in terms of where they want to go and what they want to do and what they think is achievable. It has to be done in such a way that people with learning disabilities also have the power, rather than just being told what to do and what's going to happen.

(Organisation A, Trustee [+ Trustee])

One senior interviewee within organisation C expressed the importance they attributed to the involvement of staff in strategy development, and felt this was important if widespread support was to be achieved, despite the indication that this was not taking place within the organisation:

Definitely [involvement in the strategy development process is important]. Because... a) because it is about your faith and your beliefs and so you always want to be able to stand firm in that, and b) because you are actually... doing the serving. As a consequence you are actually there to see what the needs are... so there's no better people than the person that's doing the serving. So definitely, you do need to have a say in what's happening.

(Organisation C, Paid Manager)

It was interesting, but perhaps not surprising, that within its business plan, organisation A had taken the somewhat unusual step of explicitly communicating the process through which their strategy had been developed, through a dedicated section on how they planned for the future. Everyone at organisation A and B - paid staff, volunteers and trustees - had all been involved in developing the strategy and encouraged to contribute their vision for the future of the organisation. This approach is highly consistent with the commitments portrayed in the organisation A and B's service work:

There wouldn't be any point in doing a plan without everybody... there's no interest there if you're not involved, it doesn't mean anything, it's just another piece of paper. So to have everybody involved and have their input it makes it more... I wouldn't say personal for them, but it makes... the involvement is there and so there is ownership.

(Organisation A, Paid Officer [+ Trustee & Chief Executive])

We include everyone from the organisation, irrespective of whether they were volunteers working with us or national project managers. The organisation really takes into consideration the views and perspectives of people who work for it. I don't think I'd work for an organisation that didn't.

The director is absolutely fantastic, because he allows everyone to bring their views to the table. We all get the opportunity to feed into everything that

happens. I think [the chief executive] probably sees it as a waste of talent really if there's so many people with so much ability sat doing their own projects and not kind of feeding into [the wider organisation].

(Organisation B, Paid Officer [+ 2 x Paid Officers])

Conversely, most interviewees within organisation C reported that the 2005 strategic plan, which was developed in preparation for recruiting a new Director, had been developed by a small number of trustees, and 'rubber stamped' by the wider trustee board:

Developing that was... me and another Trustee. It was the two Chairs, Chair of vision and finance and Chair of the staffing sub-committee. He was used to drawing up five-year plans, so he set off this kind of great idea, but we did that for the appointment of a new director so that we were able to set out the paperwork. This is where we're going, aims of the charity and this is our framework.

We had to do it in a bit of a rush so it wasn't as consultative as it perhaps should have been but we did show it to everybody [within the trustee board] and they were all happy with it but basically... two of us did it and they said, fine, but we were doing it in a hurry.

(Organisation C, Trustee [+ Chief Executive])

The initial driver for the forward plan within organisation D was an external pressure deriving from the organisation's wish to continue being a registered Museum. Similarly to organisation C, it was developed by one trustee and approved collectively by the trustee board with little if any involvement from the wider staff team:

It's [the forward plan] a little bit old now and the Board have talked about renewing it but before that we didn't really have an equivalent document. I collected together the key documents which did exist for the objectives of the Museum and I put those at the beginning and I worked my way through all the facets of the Museum and I wrote plans for each of the areas, had it approved by the Board and that then formed the document.

(Organisation D, Trustee [+ Chief Executive])

The gap between strategy development and implementation within organisation C had, in some instances, led to confusion amongst those responsible for implementation:

Certainly when we had the strategic plan up to 2005 we weren't particularly involved with that. We were just given this bit of paper and... well, it all looked a bit gobbledegook to me and to other people, because other people were saying, well, what does that mean then? So, I think it was all a bit business-speak, what have you, in the actual paperwork and whether we actually delivered it or not, I'm not really sure.

(Organisation C, Paid Officer)

Although the new Chief Executive indicated plans to share the newly developing strategy he is preparing with an external consultant, current awareness of his vision is low and the strategy development process remains an activity for those at the apex of the organisation:

I think it really centres around [the new director] frankly. I mean, he's the guy who really is the sort of... at the very heart of the thing. And, obviously it cascades down to us as the departmental directors. But, I think it probably is true to say that the relationship between CEO and chair of trustees is a crucial relationship which, you know, if that didn't work then I think it'd be much more difficult to bring forward these plans. But it does work, so that's fine.

(Organisation C, Paid Manager)

The interview process revealed that a new forward plan is currently being developed within organisation D and will, again, be devised and agreed solely by the trustee board and chief executive.

From a theoretical perspective, a number of links to previous points made about the HR, governance and internal accountability components of the heuristic within this chapter arise. Organisations expressing a commitment to locating decisions in democratic discourse, and which have developed governance and management systems that support this process, also take an integrated approach to the strategy creation and implementation process. By co-creating their future with trustees and managers, employees appear more likely to commit to (and perhaps have the operational competency to) put into practice the goals they have shaped. Conversely, where strategy formation is reserved for the ruling class, there is an increased likelihood that those responsible for implementation will lack both understanding of and commitment to delivering a strategy, which is, by design, removed from their experience of organisational life.

Thus, it appears from the cases that, to thrive, organisations need self-awareness of the way social and strategy processes operate. Attempting to impose strategies that are not contextually appropriate, and which do not acknowledge the legitimacy of employees' contributions at all levels in the organisation may undermine the effectiveness of the organisation and the values it portrays in its service work.

9.5 Summary

This chapter has provided a detailed illustration of the empirical data emerging from the final phase of fieldwork. The chapter has explored the complex ways in which organisations approach developing strategies for sustainability through the case study data. Specifically, the chapter has illustrated that different organisations pursue sustainability through various different means: some focussing heavily on their financial sustainability through mobilising their assets to become “an attraction business” (case D) and some striving to create sustainable societal change consistent with their internal culture and way of organising (case A).

Finally, the chapter culminated in an exploration of the data relating to social dynamics and the strategy process. This involved a particular focus on how the dynamics between the governance and HR systems within the four case organisations may have influenced how and why organisational strategies have developed. Chapter 10 will now consider the implications of the case-study fieldwork for the heuristic presented in chapter 8, and finally draws together the literature and data presented so far in a discussion of the dynamic nature of sustainability in the voluntary sector.

10 THE DYNAMICS OF ORGANISATIONAL SUSTAINABILITY IN THE VOLUNTARY SECTOR

The previous chapter has presented the case study data underpinning this thesis, and highlighted the high degree of complexity associated with sustainability in the voluntary sector alongside the diverse strategies organisations pursue in this regard. From a theoretical perspective, this chapter draws together a discussion of the key literature and empirical data reviewed and presented so far in order to address the research questions posed in chapter 1.

The thesis so far has illustrated that sustainability is more of a symbol than a scientific concept (Gollan, 2003; Wilhelmson & Döös, 2002). In general terms, organisational sustainability is a focus for a new value debate about the shape of the future; it is a signpost and a road map about the general direction to be taken (Dunphy, Griffiths & Benn, 2003). Ultimately, sustainability requires the organisation to develop and sustain its capacity to operate in the long-term and in faithfulness to its own values and intent (see section 1.3 for a wider discussion of the conceptual definition of sustainability adopted by this study). Sub-section 10.2 will proceed by reviewing the key elements of the heuristic presented in chapter 8, which are crucial for voluntary organisations to consider when developing their sustainability road map. Linked to this, the author argues in section 10.3 for the adoption of an integrated systemic approach to developing strategies for sustainability, which engenders an appreciation of the interconnections within and between the external and internal worlds of voluntary organisations.

While sustainability is perceived as a “luxury” (Focus Group Participant) by some organisations, particularly in the voluntary sector, Trapp (2001) suggests that truly effective strategies in this area need to involve all staff. Such an assertion holds implications for the dynamics and process of developing strategies for sustainability. As such, section 10.4 moves beyond the issue of content to consider the social dynamics of strategy development in a complex world. Continuing with this theme, the author then presents a meta-theoretical view of HR/governance dynamics and strategy development in section 10.5.

However, it is important to first highlight the implications for the heuristic presented in chapter 8 arising from the findings of the final phase of research presented in

chapter 9, alongside its importance in further developing the author's stance in relation to the research questions posed. This will be the focus on section 10.1.

10.1 Implications of the Case Study Fieldwork for the Heuristic Presented in Chapter 8

The heuristic diagram (page 162) and text presented in chapter 8 was developed through three primary activities, involving:

- a review of the literature pertaining to the internal and external operating contexts of voluntary organisations - presented in chapters 2 and 3;
- the development of a critique relating to two predominant models of organisational change in the voluntary sector (Billis, 1996; Glasby, 2001);
- analysis of the exploratory focus group and survey data – presented in chapter 7.

The final case study phase of fieldwork offered the opportunity to further consider and extend the heuristic as a framework for developing strategies for sustainability. Section 9.3 generally reinforced the heuristic presented in chapter 8 through the presentation of data that brought further justification for the constituent components of the heuristic. It did so by illustrating the importance case study organisations attached to considering both the external operating environment and the internal aspects of the organisation in developing strategies for sustainability. However, the case studies provided the opportunity to consider such integrating approaches at a micro or organisational level. This has both contributed to a greater understanding of how individual organisations develop strategies for sustainability and raised a number of implications for the heuristic to which the author will now turn.

The four case study organisations alone serve to illustrate the diverse nature and scope of voluntary organisations. As noted in chapter 1, Paton & Cornforth (1992) highlight that the stakeholders of voluntary organisations can include clients, government agencies, funding bodies and other organisations, and that each stakeholder will present a variety of contingencies which must be managed, but which are unlikely to be homogeneous across a range of organisations. Indeed the case study fieldwork demonstrates the heterogeneity of stakeholders and their demands on the case organisations, which prevent the adoption of blanket prescriptions regarding strategies and approaches to pursuing sustainability. For example, case organisation D - an almost entirely self-financing museum with an internally focused strategy for

maintaining and developing its artefacts and site - is less susceptible to the influences of policy makers and funders than case B. Case B's ability to bring about social change is heavily dependent on the quality of the funds they can access and the coherence of the policy framework they inhabit (see chapter 9 for empirical data).

This brief example alone implies that different components of the heuristic are more critical - and thus warrant more attention in developing strategies for sustainability – to some organisations than others. It is therefore important to stress that the heuristic is not prescriptive in this respect but provides a guide or reflective framework to help voluntary organisations interpret their internal and external worlds, and the interconnections within and between them, to support the development of strategies for sustainability.

The author has highlighted that the existing literature exploring the relationship between the governance and human resource systems has tended to focus almost entirely on the relationship between the chief executive and chair (see Carver, 1990 & 1997; Pettigrew & McNulty, 1998; Charity Commission, 2003; Mole, 2003) or trustee board and senior management (Cornforth & Edwards, 1998). This study redresses that imbalance and suggests that the relationship between the trustee board and wider staff team deserves greater consideration. In this regard, interviewees within case organisations A and B attributed crisis, and in one instance the demise of an organisation, with a combination of poor governance and gross mismanagement on the part of the chief executive officers. This may have been avoided by better inter-group communication between trustee boards and wider staff teams. Specifically, this research shows that there were issues surrounding the nature of the relationship between the human resource and governance systems of the organisations, and that often chief executive officers influence that relationship significantly.

The following contentions put forward in chapter 8 as critical factors in relation to organisational sustainability thus hold weight:

- **understanding and clarity of roles and responsibilities** within and between the governance and HR systems;
- the **relationship between the chief executive and chair** of the organisation and the subsequent implications this holds for the dynamic between the board and wider staff team
- issues of **internal accountability**.

Indeed, the prominence they assumed in the case study phase of fieldwork has led the author to develop a meta-theoretical view of human resource/governance dynamics and the implications this holds for strategy development. This is presented in section 10.5.

A related issue is the degree to which organisational members encourage and resist various policy and regulatory initiatives, including, in the context of this thesis, those which place trustees at the heart of policy and strategy making (Harrow & Palmer, 1998; Carver, 1990; Cornforth, 2003; Governance Hub 2007). A critical factor here is the way in which organisational members, particularly trustees and senior managers apply (often implicit and taken for granted) social values and theories about the nature of organisation to the governance and management of voluntary organisations. The research underpinning this thesis and the discussions that follow point to the need for organisational actors to consider, articulate and evaluate their roles and those of others in developing strategies for sustainability. Such matters will be discussed in detail within sections 10.4 and 10.5, but first the chapter will turn to a review of the external and internal worlds of voluntary organisations and the case for taking an integrated approach to sustainability in sections 10.2 and 10.3 respectively.

10.2 The External and Internal ‘Worlds’ of Voluntary Organisations: A Review of the key Heuristic Components

In chapter one, the research questions guiding this study were set out. The first asked how the internal systems and external environment of voluntary organisations interplay to affect sustainability. Section 10.2 addresses this question by developing a theoretical discussion drawing on the key literature and empirical data reported in previous chapters.

In taking a holistic approach to exploring the dynamics of sustainability, the importance of considering both the internal systems of voluntary organisations and the external environment in which they operate has been emphasised throughout this thesis. Specifically, this section will consider the 'influencing agents' (Kellock et al., 1998), both internal and external, that can drive strategic change within voluntary organisations, as depicted in the heuristic diagram (figure 6, page 162).

10.2.1 External worlds

This study has repeatedly suggested, based on the empirical data presented in previous chapters and reference to literature (Lewis, 1993; Kay, 1996; Kellock et al., 1998; Fowler, 2000), that voluntary organisations are subject to many influencing factors or agents beyond their direct control. The response of many organisations is to develop implicit and/or explicit strategies to respond to the often-competing demands of external stakeholders, many of whom have the potential to affect the organisation's viability (capacity for survival) and ability to carry out mission-based activity; core elements of the definition of sustainability employed by this study.

A key issue is balance, with the most effective organisations being the ones that can meet the expectations of one stakeholder, without comprising those of others. While it is clear that the need to meet the expectations of one or more stakeholders may well take precedence in certain periods, problems are likely to be most prevalent if such modes of operation are sustained over the long-term. The discussion that follows draws out the major interactions between the operating environment components of the heuristic presented in figure 6 (policy, funding, regulatory and constituency), and the subsequent strategic decisions and potential trade-offs facing voluntary organisations. The key argument that develops is that the current funding, policy and regulatory climate in which voluntary organisations operate may serve to divert their attention from their constituencies.

10.2.1.1 Policy context and constituency (see figure 6: E1 - E2)

A major government policy focus since 2001 has been the reform of public services and the desire to transform the way that services are designed and delivered (see HM Treasury, 2005; DCLG, 2006). The study shows that this agenda reaches far beyond those organisations funded directly by the state: under a fifth of survey participants cited that their organisation's success was *not* influenced by its relationship with the public sector. The same proportion reported they were *not* vulnerable to changes in government priorities (see sub-section 7.3.1 for further empirical data).

In seeking to re-invigorate public life and to empower communities to participate in the planning and delivery of public services, the Government recognises the vital contribution of the voluntary sector (Giddens, 1998; Harris et al., 2003; Blunkett, 2003; Hodgson, 2004). Indeed, a number of commentators (Hadley & Hatch, 1981; Hirst, 1994; Cohen & Rogers, 1995) have claimed that voluntary organisations are a

more suitable method for distributing welfare than the state, because they enhance citizen participation and, providing there is sufficient decentralization of power, they enable a greater flexibility in provision that more sufficiently fulfils the needs of diverse social groups. The current policy environment is thus one where (financial and political) support for voluntary organisations is, at least to some degree, built upon their democratic credentials and ability to involve subordinate groups in social policy (Cahill, 1994; Elstob, 2006).

To be meaningful in the context of sustainability, voluntary organisations' achievements in policy reform must therefore be translated into real and enduring benefits for their constituency. There are two major issues here. First, the predictability of a policy's effects cannot be assumed (Chapman, 2002), nor can the policy process itself (Fowler, 2000). Second, voluntary organisations are far from in control of how policy development and implementation occur. Despite the rhetoric of partnership, research participants in this study often reported a feeling of tokenism, with the conditions of the relationship being set by the more powerful statutory partners. The potential impact of policy influence therefore rests on the commitment, coherent decision making and capabilities of others (refer to sub-sections 7.3.1 and 9.3.5 for empirical data).

Various studies have noted that current government programmes of user involvement through voluntary organisations have often resulted in increased consultation rather than participation; meaning citizens are used as a source of information but decision-making powers are retained by elites (Langan, 2000; Taylor & Warburton, 2003; Parkes, 2004; Elstob, 2006). This study would suggest that the same criticism could be levelled at some voluntary organisations. Despite 71% of survey participants stating that service users are one of the organisation's most important assets, less than half (47%) felt they had processes in place for the involvement of service users/beneficiaries in decision-making processes. Moreover, just one participant within the two focus group sessions with trustees prioritised the "genuine involvement" of client group(s) in setting the agenda of the organisation. This triggered an insightful debate with other trustees in the session that appeared to use the term participation to describe consultation activity, much to the annoyance of the former.

In considering the heuristic in figure 6, organisations involved in policy influence/advocacy activities thus have a choice to make regarding the balance between the resources they expend in lobbying for reforms in the policy arena, compared to those expended on internal reforms to enable service user/beneficiary participation in their own decision-making processes. Without such considerations, voluntary organisations themselves may be in danger of lobbying for reforms on behalf of client/user group(s) that are not informed by or grounded in the experiences and expressed needs of that group(s). At the organisational level, this raises questions regarding participatory governance and democratic accountability. This will be discussed further in later sections of the chapter.

10.2.1.2 Funding environment and constituency (see figure 6: E3 - E2)

Research participants in this study were acutely aware of how vulnerable local voluntary organisations can be in relation to shifts in government policy priorities, which can then translate to shifts in funding priorities (amongst state and non-state funders). Funding, and specifically sustainable funding, therefore remains a key issue for voluntary organisations. Those organisations reliant on a single source of funding which is critical to the organisation capacity for survival (i.e. cannot be easily replaced), can be particularly sensitive to external pressures (see sub-section 7.4.1 and 9.3.3 for further empirical data):

We are responding and adapting to changes in government education policy and the funding of learning skills. Whilst changes provide new opportunities to support learners these can also cause the organisation to move away from some of its core activities, resulting in reduced products and services to providers and customers, this could threaten the long-term survival or effectiveness of the organisation.

(Survey Participant)

The in-depth case study data highlighted that diversification of funding sources was seen as a crucial element of each organisation's overall funding strategy, with the case organisations displaying a deliberate avoidance of excessive reliance on a single source of funding not controlled by the organisation (see subsection 9.3.3). A number of survey participants also stated that they had diversified their income streams as one method of securing their organisations long-term future (Survey Case 33; 115; 179; 262; 329). From a sustainability perspective, reducing resource vulnerability through income diversification strategies is no doubt an important task (Palmer & Randall, 2002; Fowler, 2000). However, voluntary organisations are vulnerable in another way as well. Choices in terms of resources have implications beyond their reliability:

they affect what an organisation stands for, which equates to the task of protecting mission and identity. Data in this regard can be found in sub-sections 7.4.1 and 9.3.3. For a wider discussion also refer to sub-sections 8.2.1 and 8.22.

The particular challenges highlighted by this study in relation to the tensions between organisational identity, mission and the funding environment are:

- an increase in the likelihood of mission drift, particularly in relation to re-inventing organisational activities in response to (a) changes in government policy/priorities (b) funders pre-occupation with only funding 'new' activities
- imposition of performance and monitoring requirements as a condition of funding that are at odds with organisations' internal values and ways of working
- an inability to undertake lobbying/advocacy activities which are contrary to funders priorities.

In terms of the heuristic presented in figure 6, the findings of this study point to the importance for organisational members to engage reflexively with the way decisions about organisational identity and role in society lead to different strategic priorities in fund-raising. When voluntary organisations turn to external bodies for income, there can be a significant danger that the tensions between competing ideals are reconciled in favour of the group that is most needed (also see Brown & Moore, 2001; Ospina, Diaz & O'Sullivan, 2002). In other words, organisations' activities may be reformulated to satisfy the needs of the funder. This research would suggest that the most successful organisations (in the eyes of research participants) are those that develop and maintain structures and processes that accommodate all stakeholders.

10.2.1.3 Regulatory environment and constituency (see figure 6: E4 - E2)

The scope of regulation in the voluntary sector has expanded in recent decades (Bolton, 2004). This expansion was, at least to some degree, initiated by a number of developments relating to deficiencies regarding the monitoring, control and financial management of charities (Woodfield, 1987; Committee of Public Accounts, 1988). Such developments led to the Charities Act 1992 and 1993, which have now been further developed by the Charities Act 2006 (Morgan, 2007). This subject is not just about the financial affairs of charities, but about reporting generally, and is driven by political and social trends including an expectation for public accountability (Charity

Commission, 2000a; Charity Commission 2005), a reduction in services provided directly by the state (Kumar, 1996; Rochester 2001) and changing attitudes to risk (Giddens, 1990; Beck, 1992).

Research participants in this study were aware of the need for effective accountability to external stakeholders. However, at the organisational level, regulation can be expensive and imposes compliance costs on regulated organisations. Indeed, less than one fifth of survey participants (18%) felt that their organisation did *not* make significant investment in complying with regulatory bodies. The challenges of becoming caught up in regulatory and legislative measures were articulated throughout the exploratory phases of the research by focus group and survey participants (see sub-section 7.3.2.1 for empirical data). An additional source of frustration for voluntary organisations is that they are often subject to a number of different, but overlapping regimes through generic regulators (such as the Charity Commission/Companies House) and specialist regulators. Again, this can represent a strain on resources. Additionally, funders will often include their own monitoring and reporting requirements as a condition of funding (see sub-sections 7.3.2.3 and 8.2.2 for further data and discussion in this area).

There were stories within a number of focus group sessions with trustees and chief executives regarding trustees' pre-occupation with liability and insurance arrangements over and above their interest in organisational activities (Coule, 2004). Moreover, the case study data presented in chapter 9 suggests that, at some level, the demand for external accountability has focused the role of trustee boards on ensuring compliance and accountability to external bodies such as funders and regulators, further illuminating some of the dynamics at play within the heuristic in chapter 8. Interestingly, in case organisations C and D, where trustee discourses were heavily weighted towards compliance with regulatory and funding bodies, and meeting legislative requirements, service users and beneficiaries did not feature strongly within their narratives. In addition, survey participants in trustee roles were less likely to express the opinion that service users are one of the organisation's most important assets compared to chief executives and other paid staff.

Notably, it had been widely believed that users - as beneficiaries - were prevented by charity law from acting as trustees, until the Charity Commission clarified its position. In 1999, the Charity Commission declared there was no bar to users being

trustees (Locke et al., 2001); the essential issue was for trustees to avoid a conflict of interest. This could perhaps be seen as a fundamental policy shift in views about user involvement. However, other developments in the voluntary sector's operating environment – particularly the tightening of managerial and legal accountability – could be seen to be working against greater user involvement (Harrow & Palmer, 2003). It is clear from the case study phase of the research, that organisations are often pursuing a strategy of recruiting professional individuals to the trustee board. The focus for recruitment here is on skills that are perceived to be of benefit to the organisation, and only some make provisions (constitutionally and in their practice) for user/member involvement in their boards (see sub-sections 7.3.2 and section 9.2 for further data).

The preceding discussion also raises questions about whether the pressure for external accountability encourages a unitary approach to governance and management, and the implications this may hold for the interface between staff and trustees (refer to connectors between E4 (external accountabilities) and O3 and the subsequent links to O1 and O5 in figure 6). The chapter will return to these issues in more detail in later discussions.

10.2.2 Internal worlds

It was noted in chapter 3 that the 1990s saw a concern for effective management practices within a now established voluntary sector (Butler and Wilson, 1990), not least because of their enlarged role in social policy and service delivery (Osborne, 1996) noted above. When discussing strategic management within the voluntary sector, it is important to recognise the unique sectoral characteristics that can complicate the process (see Bryson, 1995; Paton & Cornforth, 1992; Clutterbuck & Dearlove, 1996). These factors include, but are not limited to, commitment to organisational values, lack of market mechanism, vague, multiple or difficult to measure objectives, chronic resource scarcity, and diverse stakeholder objectives (Kellock Hay et al., 2001).

The preceding sub-section has highlighted some of the key choices and tensions facing voluntary organisations when developing strategies to respond to the multiple and often competing demands of external stakeholders. Of course, an organisation's long-term ability to carry out mission-based activity is not only dependent on responding insightfully to changes within the external environment, but on being

sensitive to the dynamics between its internal systems. As such, the discussion will now turn to the interactions between the internal (organisational) components of the heuristic (explanatory, governance, human resource, funding/financial management, and internal accountability systems). The key argument is that organisations should consciously consider the degree of congruence between the ends they are trying to achieve and the means by which they achieve them.

10.2.2.1 Explanatory and funding/financial management systems (see figure 6: O2 and O4)

The explanatory system (closely linked to organisational purpose) is perhaps the least tangible aspect of a voluntary organisation and is said to exist at three levels (Billis, 1996). It involves explicit statements of individual organisational responses to problems (operational policies); implicit policies, which are broader than operational explanations (an expression of “the way things are done around here”); and values, which constitute deeper views about the world and extend far beyond specific organisational boundaries.

The sub-section above has argued that external stakeholder expectations, particularly those of policy-makers, funders, and regulators can become a powerful influence on organisational direction and activity, leading to a heightened risk of mission drift. Since a voluntary organisation exists to render a public service, its success is generally measured by how well it performs mission-based services and not by its financial performance (Drucker, 1977; Hansmann, 1987; Wolf, 1984). Thus, accountability and measures of performance may focus on the mission, and the achievement of mission-based goals and objectives (see sub-section 7.4.1 for empirical data and 8.2.1 for a wider discussion). This study has shown that one of the most common strategies for protecting mission-based activities and values is the appraisal of an organisation’s portfolio of income sources in terms of independence. This is particularly crucial in maintaining autonomy in decision-making, and the board of trustees plays a key role in this regard.

The financial management function of the board is more than just ensuring there is sufficient cash and keeping to budget (Wise, 1998; Palmer & Randall, 2002). Indeed, although in practice, organisational members are often relatively pragmatic about setting constraints around funding sources as a matter of survival, it was clear that trustees in particular retain a focus on protecting the organisation’s identity and

maintaining integrity within the fundraising process (see sub-section 9.33 for further data). Two case organisations provide an illustration of the tensions that can arise between the beliefs and values that underpin an organisation's work and the potential sources of funding available to resource its activities. The remainder of this discussion will contrast the two cases in an attempt to draw out the key factors that influence whether a decision to restrict access to funding by trustee boards is legitimised by staff. In terms of the heuristic, this has important implications for the internal accountability system of organisations (figure 6, O3), which relates to the interface between the governance system (O1) and HR system (O5).

Organisation C provides care and support for homeless and vulnerable people, and is underpinned by a strong faith-based ethos. The long history of the charity has shown that addictions, relating to alcohol and gambling, have often been contributory factors to the circumstances of many of the organisation's clients. Following extensive discussions on at least three occasions, the trustee board reaffirmed its decision to not engage with National Lottery funding on the basis that it is generated through gambling. The research process revealed a degree of conflict amongst organisational members regarding this decision, for a number of reasons. Firstly, staff that were operationally responsible for securing resources for the continuation of organisational activity felt there was a strong argument for accessing National Lottery funding from a fundraising perspective. Secondly, those staff felt the trustees were placing onerous restrictions on potential sources of income that had fewer "strings attached" than other sources that were considered, on principle, to be "clean".

Organisation B promotes the rehabilitation of offenders by improving links between community-based agencies and the prison and probation services. The trustee board set the condition that whilst the organisation could obtain funding from government sources to carry out project-based activities, it would not accept core funding from state sources. Although a number of staff members noted that this could present challenges and "make life more difficult" from a fundraising perspective, the decision was legitimised and actively supported throughout the organisation.

Consideration of the interview data surrounding these incidents points to two key factors that influence whether a decision to restrict access to funding sources at board level is legitimised by staff. These factors relate to *how* and *why* decisions are made. Where decisions were viewed as legitimate, the following conditions were present.

First, decision-making offered the opportunity for joint dialogue between the trustee board and the staff responsible for fundraising. Second, although decisions were seen to be value-based, they were related directly to organisational activity. In other words, the rationale for not accepting state resources to fund the core of the organisation was grounded in considerations of:

- **consistency** - the income sources ability to undermine the organisation's ability to lobby, which is central to its purpose, identity and the services it provides for its beneficiaries
- **autonomy** - the likelihood that the income source would affect the organisation's ability to say no in the best interests of its users/beneficiaries
- **criticality** - the income sources ability to close the entire organisation down (rather than an individual project), in the event of a disagreement in the policy arena.

Conversely, where the decision to restrict access to funding sources caused inter-group conflict, the debate and decision-making took place solely at board level and was subsequently communicated to staff. In addition, the blanket ban on the funding stream appeared to be based on the collective moral judgement of the board with little or no reference to organisational activity.

Overall, this study has found that the role of trustee boards, in relation to resource decisions, often centres on issues of principle in order to safeguard mission and values. Moreover, the survey found that trustees are least likely to report that the organisation invests a great deal of time servicing the fundraising process (38% of trustees compared to 60% of chief executives). Taken together, and in the context of the in-depth qualitative data, this study suggests that trustee boards - who hold final responsibility for major resource decisions - are often the least aware of the operational implications of those decisions, unless effective inter-group discussions take place. As stated in chapter 9, the findings of this research point to the need for organisational members to consider the way in which the *process* of decision-making may serve to legitimise or undermine the *outcomes* of decision-making.

10.2.2.2 Governance system (see figure 6: O1)

Despite the growing recognition that governance plays an essential role in organisational sustainability (NCVO, 2007; Charity Commission, 2003), governance

is often seen as a major problem area (Harris, 1993a; Mordaunt, 2002; Gibelman & Gelman, 2004). Indeed, it has recently been associated with organisation failure (Mordaunt, 2002) and wrongdoing in voluntary organisations (Gibelman & Gelman, 2004).

Considering the boxes extending from the governance system component (O1) of the heuristic, the empirical data from this study shows that the work of the trustee board is often focused heavily towards meeting external accountabilities, setting policy/strategy and overall supervision of the organisation. This has often resulted in board maintenance and development receiving little if any attention. Indeed, just 26% of survey participants reported that they invest in developing trustees (see subsection 7.4.3 and 9.3.1 for wider empirical data). In exploring attitudes towards the role of trustee boards and the development of trustees through the case study research, a number of themes emerge.

The four case organisations have each pursued a strategy of recruiting trustees on the basis of their educational/professional qualifications, or their 'expert' status in a particular field. This appears to be both an indication of (a) the increasingly heavy responsibilities and functions placed on trustees and (b) the assumption that there will be no need to further develop their skills and expertise. However, the efficacy of the assumption that professionals are more likely to undertake effective supervision of the charity in their role as trustee is debatable. Despite organisation C's strategy of recruiting 'eminent professionals' to the trustee board they have undergone "regular financial crises" due to poor financial supervision.

A further area of interest in relation to governance roles, and the way in which they are enacted within voluntary organisations, relates to performance. While many trustees who participated in this study attached importance to reviewing the activity based and financial performance of the organisation, none of the case organisations had mechanisms in place to review the performance of the trustee board itself. Again, this may be symptomatic of the concern to comply with the legal and regulatory requirements of external stakeholders, where perceived risk of non-compliance is greatest. In the context of sustainability, these findings represent serious questions for voluntary organisations to consider in relation to the focus of trustee boards' work and its approach to board development. It is unlikely that the end goals of effective

governance will be achieved through governance systems that are not themselves, the focus of development.

10.2.2.3 Human resource system (see figure 6: O5)

Research participants in this study have argued that their organisations are dependant for their very survival on their paid staff, suggesting, *“a voluntary sector organisation is usually only as good as the people that are running it at a particular moment in time”* (see sub-section 7.4.4 for empirical data). In considering change and human resource management in a voluntary sector context, Kellock Hay et al. (2001) suggest that insufficient attention paid to key human resource management issues such as communication and involvement strategies, training, job design and reporting structures can undermine the process of change management. The findings of this study suggests that human resource sustainability is not so much to do with the presence of communication and involvement strategies, or availability of training opportunities, but the means by which they are sanctioned and the premise on which they are based.

Considering the boxes extending from the HR system (O5) component of the heuristic in figure 6, the in-depth case studies highlight the organisations' diverse approaches to the development, supervision and accountability of staff. While all four organisations had adopted formal policies relating to supervision of staff, the motivation for and aim of such processes appeared to differ between them. For employees in organisations A and B, supervision held the opportunity to contribute to wider organisational debates and provided them with a support mechanism and means of identifying development needs. Organisational members worked to engender a culture of trust to create a supportive environment through informal methods of development and communication. The focus here is on knowledge and skills for innovation and creativity, ultimately adding value to organisations through learning. Ultimately, Harrison (2002 p. xii) suggests that the most powerful strategic outcomes of such an approach to human resource development include “enhanced organisational effectiveness, adaptability and sustainability”. Although broad HR policies existed within these organisations, in practice there was a deliberate emphasis on retaining fluidity and flexibility in order that human resource development was appropriate to the diverse range of individuals involved in the organisation.

For staff in organisations C and D, supervision was primarily a mechanism for being held to account for implementation of trustees' and/or senior managers' plans and identifying training needs. The motivation of trustees and managers seemed largely based on meeting their obligations as employers, with the primary task being the development of formal operational policies. In terms of staff development, there was a clear tendency to operate a closed formal 'corporate curriculum' - that which is seen as objective, specific and outcome driven (Garvey & Williamson, 2002) - focusing on vocational courses of direct relevance or benefit to the organisation. Ultimately, such a curriculum may promote compliance and obedience rather than leading to innovative or creative thinking. Moreover, discourses in organisation C particularly, highlighted inconsistencies surrounding the implementation of staff supervision and development policies. This indicates divergence between the espoused practice at governance/management level and the lived experience of organisational members.

The case study fieldwork would suggest that voluntary organisations must look beyond the legal and practical basics of the employment contract in order to secure staffs' ownership and commitment (see sub-section 9.3.2 for further data and 8.2.3 for a broader discussion of this area). HRM practices that are oriented towards the completion of tasks rather than the development of communities only partially explain the dynamics that create sustainable organisations. A key issue, to which the chapter will return, is that the potential for destructive conflict appears to be greatest when there is a disconnection between the moral and social values the organisation projects in its service work and the treatment of employees.

10.2.2.5 Internal accountability system (see figure 6: O3)

Throughout subsection 10.2.1, there was a suggestion that the individuals responsible for the governance and management of voluntary organisations are faced with choices of if and how to respond to the often-divergent needs of external stakeholders. The same can be said of internal stakeholders. Of central importance, is the interface between staff and trustees and how a system of internal accountability is operationalised (see links between O3, O1 and O5 in figure 6).

The internal accountability system of voluntary organisations is complex (Leat, 1988; Billis, 1996). The various phases of this study have shown that internal tensions between trustees and staff can be a familiar feature (see sub-section 7.4.5). The survey results alone highlight that trustees are less likely than chief executive officers

to report that staff are vital to the organisation's long-term success (80% compared to 98%) or that staff are committed to the overall values of the organisation (84% compared to 98%). Moreover, analysis of the focus group and case study data shows that paid staff can be sceptical regarding the role of trustees and the value they bring to the organisation when effective inter-group relationships are not developed. Interestingly, effective relationships are not solely based on the level of direct interaction between staff and trustees, but are reflected in the governance and management approaches that shape the relationship between internal stakeholder groups.

It is therefore important to understand the internal relationships of the various actors within the system as well as the influences from outside. An underlying theme throughout subsection 10.2.1 and 10.2.2 has been that the current legal and regulatory environment encourages an exclusive unitary approach to the governance and management of voluntary organisations, which focuses on compliance. However, contrasting organisation A and D's approach to internal accountability shows that trustees and managers can and do make conscious choices about *if* and *to what extent* they conform to or resist such external pressures. This is often based on prevailing norms and beliefs about the nature of organisation and management, and again reveals the tensions that can arise when means and ends diverge.

The relationship between the trustee board and staff team in organisation D is underpinned by a managerialist orientation to internal accountability. The trustee board provides a framework of policies and procedures to enable staff to discharge the duties delegated to them through the chief executive officer. In organisation D's handbook, "failure to observe a reasonable order or instruction" is listed as a breach of the organisation's "rules" which can lead to disciplinary action. Governance and management is reserved for an elite group who have entrenched their right to make all key decisions. Communication between staff and trustees regarding organisational matters is conducted through the chief executive officer, and the board chooses to follow guidance regarding the clear divide between governance and management (see Carver, 1997; Hudson, 2003; Governance Hub, 2005), which, in itself can prove a threat to sustainability. Indeed, within the four case organisations, participants recounted three instances where poor inter-group relationships between the HR and governance systems, largely shaped by the chief executive, had either threatened or

brought about the demise of an organisation. The common factor in all three cases was that absolute trust was placed in the integrity of the chief executive to act in the interests of the common good and provide an accurate representation of organisational reality to the trustee board (see sub-section 9.4.2 for further empirical data).

In contrast, internal accountability in organisation A is underpinned by a system of governance and management that encourages autonomy and individual action. In accordance with their stated social aims, trustees, senior managers and the wider staff team are committed to individual rights and democratic dialogue. Overall, there is an emphasis on egalitarianism and engendering a culture of trust, rather than focusing on their legal responsibilities as employers and the provision of operational HR policies as a method of control:

It's more an ethos than a policy that will get you that feeling of trust. I mean, you can find many large organisations where you just don't get that feeling, whatever supervision structures and appraisal regimes are in place I think if people feel trusted they will feel supported. If I was around every week, you know, nit-picking and counting paper clips then they'd begin to feel nervous and vulnerable.

(Organisation A, Trustee [+ Trustee])

Organisation A explicitly aims to “attract trustees with learning disabilities who are national figureheads”. On interviewing two trustees within the organisation and discussing governance issues with other members of the organisation, it is difficult to conceive that the trustees lack awareness with regard to their governance responsibilities. Despite this, examination of their financial statements reveals a discrepancy in their compliance with the requirements of company and charity law. While the research process revealed no indication that trustees or managers within the organisation would deliberately flout legal or regulatory requirements, it is perhaps indicative of their intent to prioritise the needs of their beneficiaries and internal stakeholders above the requirements of their legal and regulatory environment.

Sub-section 10.2 has reviewed the key elements of the heuristic presented in chapter 8, and presented a number of theoretical arguments about their interaction grounded in empirical data and literature. Specifically, it has explored some of the choices available to and pulls exerted on trustees and managers in setting priorities and how much attention they pay to different stakeholders in the process. It has, in essence,

provided a theoretical perspective on the conceptual and practical dilemmas of implementing an integrated approach to sustainability.

Section 10.3 further develops the case for a systemic approach to developing strategies for sustainability, which engenders an appreciation of the interconnectedness between the external and internal worlds of voluntary organisations.

10.3 An Integrated Approach: Making the Case for ‘Systemic’ Models of Organisational Sustainability

Organisational change has become a major research topic often linked to both survival (Billis, 1996; Glasby, 2001) and sustainability (Wilhelmson & Döös, 2002). The second research question guiding this study set out in chapter 1 therefore asked how appropriate the existing voluntary sector models of organisational change for the study of sustainability are. Two prominent models of organisational change (Billis, 1996; Glasby, 2001), specifically developed within a voluntary sector context, were thus presented and critiqued in chapter 4. This chapter will now return to these models in light of the empirical data presented in chapters 7 and 9.

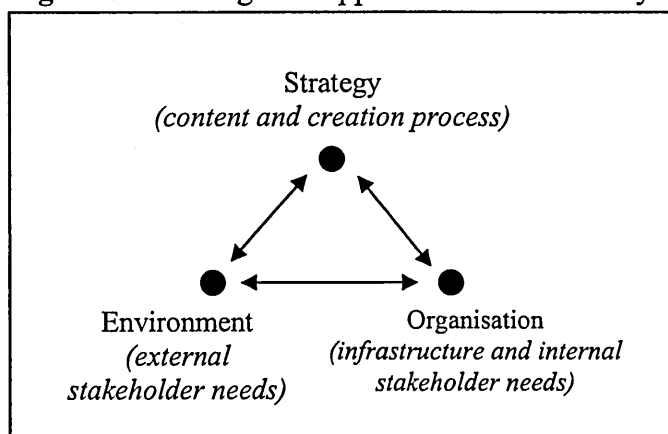
In seeking to address the topic of organisational change in the voluntary sector, and pursuing a systemic rather than reductionist approach, one leading commentator (Billis, 1996) developed a model, which identifies five major systems - explanatory, governance, human resources, funding and internal accountability. Billis (1996) proposes that organisational change and survival depend on compatibility within and between these systems (see figure 1 p. 52). He proposes that organisational change and survival in voluntary organisations can be explained by examining the way in which the five systems interact. The empirical data underpinning this thesis would support the efficacy of these five internal systems, all of which were associated with organisational sustainability by focus group participants when conceptualising sustainability (see chapter 7). As such, each of these systems has been incorporated within the systemic heuristic presented in figure 6, chapter 8.

However, there is a fundamental issue; although Billis recognises that the environment can permeate and influence any of the systems, he assumes that together they form one larger closed system. This is an assumption that exposes a fundamental weakness of the model. Indeed, this study supports other empirical research

indicating that, in order to capture a full picture of organisational change, both internal and external contexts should be examined together (Leavy & Wilson, 1994; Ensign, 2001). The empirical data, the narrative presented with the diagrammatic heuristic, and the review of its key components presented in the preceding section of this chapter, serve to demonstrate that the complexity of developing strategies for sustainability lies in the interconnectedness within and between the organisation's external and internal context. They have, for example, highlighted the importance not of the funding environment per se, but how strategic choices in mobilising resource interact with organisational identity (the explanatory system), influence the service provided to and perception of the organisation's constituency, and can affect the organisation's ability and willingness to lobby in the policy arena. The systemic heuristic presented in chapter 8 thus refers to a set of elements joined together to make a complex whole, a reflective approach to which, is central to developing strategies for sustainability.

There is, therefore, a high degree of complexity associated with participants' notions of organisational sustainability, incorporating external (operating context) and internal (organisational) elements (see chapter 7). The integrated approach to sustainability suggested by this thesis generally, and the heuristic specifically, can be represented diagrammatically as follows:

Figure 7: An integrated approach to sustainability



The notion that it is not sufficient to explain how voluntary organisations survive change through internal factors at the expense of considering the social, economic, cultural and political context in which they operate formed the basis of Glasby's (2001; 2002) critique of the Billis model. Through a single site case study of the Birmingham Settlement, Glasby (2002 p. 101) argues that, "to understand how

voluntary organisations survive and change we need to consider the way in which individual, organisational and societal factors interact and move to a multi-dimensional model” (see figure 2 p.55).

The benefit of such a model is that it acknowledges the interplay of the many factors that have contributed to the organisation's ability to survive. Thus, the contributions of individuals, though significant, take place within an organisational structure, which itself is influenced by the social context. Similarly, the social context alone is not sufficient to ensure survival without certain organisational features, which in turn depend ultimately on the individuals working within the organisation.

However, whilst Glasby (2001) explores his proposed levels throughout his PhD thesis in the context of a single organisation, his model itself offers little detail as to *what* the different levels are composed of and *how* they interact. Its value to practitioners as a basis for reflexive practice is therefore questionable; it is not enough to know that the different levels in which change occurs are, for example, individual, organisational, or societal. Through demonstrating more specifically the elements or components that exist and interplay within and between the organisation and its environment, it is submitted that the heuristic presented in chapter 8 builds upon and serves to address the identified weaknesses of the models described above and presented in chapter 4. Although it has retained the five internal systems proposed by Billis, the heuristic itself, and the multi-method fieldwork underpinning it, has extended the existing models through a multi-level analysis identifying the key entities within the general environment (constituency, policy-makers, regulators, funders), considering their complexity, heterogeneity and dynamics, and exploring their potential influence at the organisational level.

The chapter so far has discussed issues relating to the interaction between organisation and environment in the context of sustainability. Now it turns to issues pertaining to the strategy creation process.

10.4 Beyond Content: Social Dynamics and Strategy Development in a Complex World

Exploring the ways participants conceptualise and pursue organisational sustainability in the initial phases of the research, and noting the issues surrounding the HR/governance dynamic (see sub-sections 7.4.5 and 7.5.1 for empirical data),

indicated a need to explore how organisational members apply social values to management and governance practices. In terms of strategic management, this leads to moral and ethical questions regarding the extent to which the treatment of organisational members “honours the moral and social values that the organisation intends to project in its service work” (Jeavons, 1992 p.416).

As this, and preceding chapters, have highlighted, in discussing strategies for sustainability there are wider issues than those relating to finance – a resource-based view involves examining all resources with the aim of maximising their use and contribution to the organisation. This, in turn, raises issues for people as a resource. Pfeffer (1998) and Garvey & Williamson (2002) propose that there are two basic ways to organise working life; one enables organisations to capitalise on employees’ ideas and the other seeks to suppress, curtail and control. In a US context, Collins (1997 p.503) argues that:

“...The standard should be democratic organisations with a few authoritarian exceptions rather than authoritarian organisations with a few participatory management exceptions...”

Having re-considered the key elements of the heuristic presented in chapter 8, the second substantive theme of this chapter aims to highlight the implications of the - often implicit - philosophical assumptions employed in managing and governing voluntary organisations. Sections 10.4 and 10.5 will draw on the case-study fieldwork reported in chapter 9, alongside relevant literature on organisation theory, to contrast unitary and pluralist approaches, thereby addressing the remaining two research questions posed in chapter 1:

- How do voluntary organisations approach strategy development and in what ways do they relate it to organisational sustainability?
- How is strategy development influenced by the governance/human resource system dynamic and how does this affect major resource decisions, the setting and safeguarding of mission and values, and the decisions regarding long-term goals?

10.4.1 Rationalism: Retaining a unitary approach to strategy and change

Although it has been noted that engaging extensively in formal strategy development is a relatively recent phenomenon for many voluntary organisations (Bryson, 1988; NCVO, 2006), section 7.5 demonstrated that voluntary organisations see strategy and change as central to organisational sustainability.

Analysis of the case study data suggests that organisations C and D approach governance and management from a largely unitary perspective (one that assumes everyone in the organisation will benefit from decisions made at a senior level and ignores conflicts of interest within the organisation). The histories of the two organisations are entrenched in current operational approaches and provide a mechanism for justifying the authority of trustees and managers; you obey because that is just the way things are and have always been. Within organisation D for example, constant reference was made to the historical military links of the Museum and maintaining an (authoritarian) approach consistent with that tradition. In organisation C, employees are socialised with the founding story of a visionary faith leader who identified the need and established provision for "the needy" (see subsection 9.3.2 for further empirical data). In each case, the historical roots of the organisation are used in an attempt to legitimise and elevate the authority of a select group of leaders over a group of subordinate followers (see 9.4.2 for wider data).

Overall, the dominant approach within organisations C and D therefore involves a system of governance and management in which elite experts rule by virtue of their privileged knowledge and position (Fischer, 1990), ultimately eschewing any philosophical, political or ethical questions about the nature of strategic management generally and strategy development specifically. This orientation arguably prioritises the concerns and interests of managers and/or trustees:

I think we have to say that, we benefit hugely from the efforts of volunteers, but perhaps a slightly more appropriate term now would be... unpaid staff because there are posts for everybody, there are procedures by which the volunteers are...we make sure they understand what the health and safety and other policies are... and we control their work and the Museum is run by a small core of professional staff. We've benefited hugely from that... I particularly think that we've benefited from some control being exercised on volunteers because volunteers can be tricky.

It's a fairly traditional structure where you have managers in charge of teams and ultimately everybody is responsible to the director and the director then is answerable to the Board of Trustees. So the policy decisions are taken by the Board of Trustees and they are enacted then by the director or his subsequent management teams.

(Organisation D, Interviewee)

Here, the existence of power is viewed as something that benefits the whole membership of an organisation (Porter, 1990). From the perspective of trustees and chief executive officers, organisations C and D were presented as unitary: "as

harmonious, consensual entities that exist for the pursuit of common purposes where there is no inherent conflict of interest between members” (Darwin et al., 2002 p. 94). Moreover, because management-led change is constructed as a technical necessity - and for the common good - any conflict, disobedience or resistance to change programmes is portrayed as irrational behaviour, ignorance or stupidity, and an illegitimate challenge to managerial authority (see sub-sections 9.4.1 and 9.4.2 for empirical data).

The board’s work in organisation C has a strong focus on protecting the faith-based ethos of the organisation, and their overall approach appears to be characterised by stewardship of the charity. Interestingly, this approach proved to be somewhat of a double-edged sword for the chief executive officer. On the one hand, the status of the organisation's mission, rooted in its Trust Deed, is elevated in order to socialise employees and shape their beliefs about and commitment to the tradition of the organisation. As mentioned above, at the staff level, this reinforced his (and the trustees') authority. However, paradoxically, the trustees' emphasis on protecting mission and identity reduced the chief executive's influence over the board in relation to major resource decisions (see 10.2.2.1), initiating change and modernising the organisations overall strategy.

The trustee board’s work in organisation D was also focused on stewardship, but in relation to the museum's artefacts and memorial theme. These two case organisations shared a number of other common factors that denote a unitary, bureaucratic approach to organisation and management. First, and in line with much of the prescriptive guidance on governance (see Carver, 1990; Governance Hub, 2005), there is a common desire among trustees and chief executives to maintain a clear separation between the governance and management of the organisation. As such, the relationship between the trustees and staff is conducted, in the main, through the chief executive. Second, in both cases, the board chooses to focus its role on protection and imposition of the organisation's mission, ensuring conformance with legal and regulatory requirements and providing a raft of policies and procedures for staff. These formal rules are seen as the key mechanism for (a) ensuring staff understand what is expected of them and (b) controlling their work activity. Here, rationality resides in the system of rules and not in the judgement of individuals, except those at the top of the organisational apex.

In this way, the organisation implements an almost complete separation between thought and action in decision-making and strategy development. As such, employee involvement in these areas is restricted to low-level operational matters, usually in response to formal, top down consultation. The purpose of strategy in this context is as a means for trustees and managers to control, direct and co-ordinate the workforce.

In both organisations C and D, either a select group of trustees or the chief executive dominates formal strategic planning. Within organisation C, a transition in the trustee board's approach to formal strategy development has occurred over time. In the absence of a 'strong' chief executive, the chairperson and a fellow board member formulated a strategic plan, driven by the imminent need to recruit a new CEO, which was 'rubber stamped' by the wider trustee board with no involvement from employees. Following recruitment of the new CEO, the task of strategy development has been delegated to the post-holder with support from a management consultant. However, the broad framework continues to be set by the trustee board. Although the new CEO indicated plans to share the emerging strategy, current awareness of his vision for the future among employees is low and the strategy development process remains an activity for the organisational elite.

By choosing not to reflect on the nature of given ends (presented as organisational goals), whose ends they are, whose interests they serve, and how they have been developed they are accepted, by the majority, as natural, unchallengeable and given (McAuley et al., 2007). Generally, members of these organisations appeared unable to imagine or express a desire for any alternative to the status quo:

I think it really centres around [the new CEO]... Obviously it cascades down to... us as the departmental directors. But... the relationship between CEO and chair is... crucial, if that didn't work then I think it'd be much more difficult to bring forward these plans. But it does work, so that's fine.

(Organisation C, Interviewee)

Practice is always based, even if those involved do not know it, on some kind of theory or assumption about how the world we live in is organised. The theory underpinning the governance and management of organisations C and D assumes that authority will hold the organisation together. In this respect, people who do not reside at the top of the organisational hierarchy are expected to unquestioningly submit to the will of trustees and managers on the basis that they have the right to give the orders. In addition, and similarly to Kanter's (1977) findings in a non-voluntary

sector context, this study suggests that trustees and managers within organisations underpinned by a scientific management or bureaucratic approach, show a tendency to appoint people who share their own background, gender and education. There was evidence within both organisations that the perception of whether individuals were or were not on board with imposed organisational values resulted in the development of in-groups and out-groups. This, in turn promoted the natural selection of compliant individuals, as those who do not comply leave the organisation or are ostracised until they do.

These findings challenge the view that management structures in not-for-profit organisations tend to be flatter and more informal, and leadership is more likely to be democratic than in commercial firms and the public sector due to a strong sense of altruistic mission (Markham et al., 2001; Alatrasta & Arrowsmith, 2004). Ultimately, the strategic management style within any organisation is more likely to be a result of the social values of those individuals involved in its governance and management than the sector it resides in. This study has demonstrated that the voluntary sector does not attract, by virtue, only those people committed to participatory governance and management styles.

The core theoretical issue is that a unitary approach ultimately sets up a dichotomy of systemic and individual rationality and that committed staff can and do stop working effectively if the organisation fails to embody the values and missions that brought them to the organisation. Such losses could be significant enough to threaten an organisation's survival. The implication, then, is that crafting strategies for sustainability is at least partly a decision about structuring internal accountabilities so that the ends an organisation is trying to achieve coincide with the means they employ to achieve them.

10.4.2 Social Constructivism: Employing a pluralistic approach to strategy and change

In contrast to a unitary perspective, people who hold a pluralist perspective see organisations as being constituted by diverse groups “whose pursuit of disparate sectional interests inevitably produces manifestations of conflict” (Darwin et al., 2002 p.97). From this perspective, organisations A and B view conflict between various organisational stakeholders, including employees, as normal and to be expected. Power is thus a central concept within these organisations, as it is used to explain

relationships between people within organisations and organisational structures (Foucault, 1977). In addition, organisational activity is rooted in collective action rather than individual vision and hierarchical control (Marx, 1984). In this regard, authors such as Knights & Roberts (1982 p.50) observe that authority cannot be imposed or individually possessed, but always remains only a "quality of the relationship between people, in which both... see as legitimate, the reciprocal rights and obligations realised through their interaction."

The complex decisions made by managers occur within a moral framework, meaning that "managers have to judge their actions not only in terms of their efficiency but also by whether or not they are morally correct" (Garvey & Williamson, 2002 p.7). For organisation A, that involves an assessment of the degree to which the social aims of the organisation are reflected in its culture. The moral and social values which underpin its external work are thus embedded strongly throughout the organisation; all of organisation A's work is led by people with learning disabilities, who are paid an equal salary to their non-disabled co-workers. The organisation was characterised by open, informal methods of communication within and between the staff team and trustee board, largely brought about by a crisis arising from a weak board/staff relationship engendered by the previous chief executive. The current chief executive shared an open office with staff, and in many rooms there were flipchart sheets on which people could write and develop ideas and issues they wish to discuss with colleagues. Explicit attention was paid to tensions or conflicts that are recognised as being prevalent (and legitimate) in any organisational setting.

Trustees and staff in organisation B also see the organisation as an instrument for political and social change and sustain strong networking relationships with other organisations - remaining open to ideas and influences that arise from within those networks. As a membership organisation, this approach is seen as a core element of the organisation's mission. Again, the chief executive of organisation B was dedicated to ensuring the organisation also remains open to change in response to new ideas coming from the people who work within it, facilitated by open, informal methods of development and communication in addition to formal supervision and appraisal. This approach was highly valued by employees and appeared to generate a great deal of loyalty to both the chief executive and to the wider organisation. The key difference between the two organisations was the way in which their pluralist

approach was initiated and maintained. Within organisation A, the approach was driven, in equal measure, by the trustee board and chief executive and was now entrenched in the organisation's structure and systems. Within organisation B, however, the democratic nature of the organisation was largely attributable to the values of the current chief executive, rather than emanating from the trustee board. It is therefore doubtful that this culture would prevail if the chief executive were to leave and be replaced by someone with a unitary perspective.

Nevertheless, both organisations currently share an explicit goal to create an environment conducive to sharing ideas and information informally, helping each other to solve problems, and to nurture enthusiasm, creative thinking and a willingness to change. A critical factor here, appears to be the chief executive's recognition that the workplace, and involvement in the decision making and strategic process itself, is potentially a rich learning opportunity. Clawson (1996 p.8) describes a shift away from the 'bureaucratic way', characterised by a basic assumption that "the boss knows best", to a 'process way' with a basic assumption that "the process owner knows best". This certainly appeared to be the overriding perspective within organisations A and B (refer to section 9.4 for empirical data).

Additionally, the formal strategy process is characterised by the search for individual and collective meaning based on conversations between *all* organisational members. Such discussions are often centred on the co-creation of identity, meaning and purpose. Central to this is discussing and debating the 'why' questions of the organisation and not simply moving straight to the issue of 'how'.

Such an approach promotes the possibility of alternative modes of practice located in democratic discourse. Ultimately serving to undermine and displace the conventional, top-down, technocratic image of management through asking ethical questions concerning collective priorities (Forrester, 1989). Its purpose is to "open up radically new understandings of organisational life that have a potential to promote new modes of work that give voice to, and promote, critical reflection and autonomy" (Alvesson & Willmott, 1996 p. 114).

Indeed there is some agreement that organising gatherings for the purposes of conversation, consultation and problem-solving, which are participant centred democratic processes can be a valuable experience for organisations and the

individuals within them (Candy, 2005; Alegria, 2005). Of course, such potentially democratic processes may well represent a threat to those who operate from a unitary perspective and would rather retain top-down control of the political process of strategy (Stacey, 2001).

10.5 Towards a Meta-Theoretical View of HR/Governance Dynamics and Strategy Development

The preceding section has illustrated that to study, govern and manage voluntary organisations involves thinking about philosophy, politics and ethics. Garvey and Williams (2002 p. 68) highlight that:

“Values are not just disembodied guides to the rules we should follow. They are woven into the textures of our working lives, shaping both the means and ends of what we do. They are built into the patterns of our working relationships and the ways we value and manage people.”

Indeed, the case study fieldwork reported here is testament that governance and management actions, not abstract concepts or rhetoric about policy and missions, ultimately influence attitudes towards organisational values.

Drawing on the case study data in chapter 9, table 6 develops a typology that highlights the implications of employing unitary and pluralist perspectives in the governance and management of voluntary organisations. Each outlook applies a different body of knowledge or theory and holds different implications for the HR/governance dynamic and the nature of strategy and change. However, it should be borne in mind that practitioners do not necessarily operate consistently within a particular stance and often vary their approach within a specific context. The author therefore cannot claim that the taxonomy she presents is exhaustive. Rather, she would point to its heuristic value that articulates the possibility of diverse philosophical approaches to governance and strategic management in voluntary organisations.

Table 6 is thus presented as a complementary but additional framework to the heuristic in chapter 8. While the heuristic provides a framework for critical reflection regarding the diverse dimensions of sustainability and strategy content, table 6 raises important moral and ethical issues surrounding the strategy process in a voluntary sector context.

Table 6: Meta-theoretical view of HR/governance dynamics and strategy development

Paradigm	Governance/HR Relationship	Approach to Strategy and Change
<i>Unitary Approach</i>	<p>The relationship and communication between the trustee board and staff team is formal and conducted largely through the CEO in order to retain a clear line between governance and management.</p> <p>Organisational members are seen as in need of control, direction and co-ordination and an elite group of trustees and or/senior managers devise various ways of achieving this. This can include a focus on culture management, where trustees and/or managers exert power in an attempt to produce 'desired' values and behaviours. There is a key assumption that systematic control of social relations is possible, usually via a raft of policies and procedures to underpin all aspects of work activity.</p>	<p>Strategy and change initiatives are often dominated by the CEO and/or an elite group of board members and the voice and experience of 'lower level' employees is rarely heard. The fundamental assumption is that trustees and managers are able to identify the changes that need to be made and the solutions required. As management-led change is constructed as a technical necessity - and for the 'common good' - any conflict, disobedience or resistance to change programmes is portrayed as irrational behaviour.</p> <p>Allied to this approach, there is almost complete separation between development and implementation and the purpose of strategy is to prescribe what the job is and how it should be done. Employee involvement in decision making and strategy development is limited to responding to (or taking note of) formal, top down communication.</p>
<i>Pluralist Approach</i>	<p>Explicit attention is paid to the culture of the organisation, which is developed over time and through negotiation between trustees and staff. Beyond the necessary legal requirements, rules are replaced by dialogue and organisational members are treated as individuals rather than impersonally and trusted to act on the basis of shared co-created values. Although there is a recognised distinction between governance and management, their effectiveness are seen as interdependent.</p> <p>Trustees and senior management are more interested in the 'lived' practice of the organisation and people's experience of it, rather than the formal policies and procedures that could be developed to control behaviour. An effort to foster an internally collaborative environment is seen as an essential and legitimate organisational activity in itself.</p>	<p>Significant value is placed on the processes by which outcomes are achieved and there is a commitment at all levels to locating major decisions about resources and missions in democratic discourse. This is achieved through asking ethical questions concerning collective priorities. There is a deliberate attempt to create space for critique, reflection, and debate for organisational members beyond those who sit at the apex of the organisation, be it the trustee board or senior management team.</p> <p>One of the key assumptions here is that when people share images of the future and responsibility for implementation of the ideas they develop, they are more likely to align their work. Involvement in the decision making and strategic process itself is seen as a potentially rich learning opportunity.</p>

Source: Author

As indicated in section 10.4, the core theoretical argument is that acceptance and legitimisation of certain approaches to strategy and change are associated with the coherence between that approach and the social values expressed in the organisation's service work. A secondary factor relates to employees' motivations for working for the organisation in the first place. For example, case organisation D appears to thrive (at least in terms of financial sustainability) on a unitary approach to strategic management. Through the analysis of the case-study data, it would appear that several factors could be of significance in legitimising this approach among organisational members. These include:

- historical links with the military which continue to the present day
- a workforce of enthusiasts predominantly motivated by the museum's artefacts, rather than commitment to its charitable objects
- natural selection of compliant individuals following top-down change initiatives amongst a largely volunteer workforce.

It is, however, incoherent for an organisation with egalitarian social aims to employ a totalitarian style of governance and management. Nevertheless, it appears, as in the case of organisation C, that such an approach continues to be adopted. Unfortunately, for those employees who can envisage an alternative to the status quo, this can create subversive conflict on the basis that the treatment of employees is at odds with the social values portrayed in its service work:

If you feel you're known... as a person I think there is a sense of value in that you are valued and you do count in the development of what's happening. If you're only known as a dot on a piece of paper, ruthless decisions can be more easily made in terms of business development as opposed to person centred enhancement. Which is a slight shame because the whole organisation is really about people.

(Organisation C, Interviewee)

In this regard, McAuley et al. (2007 p. 25) make the important point that:

“Many of us live in long-established liberal democracies where democratic rights are taken for granted in civic life. Yet there seems to be a stark contrast between the democratic values that infuse civic life outside the workplace and our everyday experience of hierarchy and authority within the organisations where we work, where democratic rights are usually left at the entrance.”

10.6 Summary

This chapter has linked together the key literature and empirical data reviewed and presented so far in order to address the research questions posed in chapter 1. It began by highlighting the implications of the final phase of case study fieldwork for the heuristic presented in chapter 8, illustrating, in particular the need for flexibility in any framework developed to encourage reflexivity in developing strategies for sustainability, due to the heterogeneous nature of voluntary organisations.

The chapter then considered the key elements that warrant consideration by practitioners when developing their sustainability roadmap. Following the discussion of how the internal systems and external environment of voluntary organisations interplay to affect sustainability, the chapter assessed the appropriateness of existing voluntary sector models of organisational change. It did so through a critique of two models (Billis, 1996; Glasby, 2001) and culminated in a case for systemic models of organisational sustainability.

Finally, the chapter highlighted the importance and implications of the various taken-for-granted - often implicit - philosophical assumptions employed in managing and governing voluntary organisations. This was achieved by contrasting unitary and pluralist approaches in order to illustrate how case study organisations approached strategy development and how this process was influenced by social dynamics. A meta-theoretical view of HR/governance dynamics and strategy development was subsequently presented. Chapter 11 will now conclude by considering the limitations of this PhD study, its contribution to knowledge and implications for future research and practice.

11 CONCLUDING REMARKS

This thesis, so far, has reported some of the key findings and theoretical conclusions drawn from a multi-method research programme. The previous chapter presented key aspects of the thesis argument in light of the research questions under consideration. This final chapter will reflect upon these issues in a more general sense, by discussing the author's contribution to knowledge, including implications for future research, theoretical development and practice. Firstly, however, it is important to consider the limitations of the study.

11.1 Limitations of the Study

In taking a critical approach to the study of voluntary organisations, there is a commitment to understanding how management practices, such as strategy and change, are developed and legitimised within asymmetrical power relations. Far from interpreting strategy and change simply as a set of neutral technical activities that benefit all by serving an assumed unitary organisational interest, a primary concern of this thesis has been to surface the lack of objectivity surrounding strategic management processes.

Ultimately, a critical approach thus requires that those individuals and groups whose perspectives are ordinarily silenced in organisations be given voice. This can, however, prove challenging when researchers are required to negotiate access to the organisation and its individual members. This was a particular issue with the focus group and case study phases of fieldwork. In terms of the focus groups, participants in the trustee and chief executive officer sessions were sent a personal invitation as their contact details were readily available. However, the session for project officers was less straightforward. Due to the individual names of project officers receiving a lower profile on the contact lists available to the author, and the organisation's own promotional literature, chief executive officers were asked to identify and secure the participation of a member of staff. As such, this resulted in the opportunity for chief executives to put staff with positive attitudes towards the organisation forward for the focus group session. Whether or not this happened in practice was unclear. However, the exploratory nature of the focus group phase, which aimed to scope the parameters of the research, meant that this was not as important an issue for the focus groups as it was for the case study phase, which specifically sought to explore social dynamics.

With reference to the case study phase of fieldwork, there were notable differences in the level and freedom of access granted to the author by the four case organisations. Two organisations took a formal approach of scheduling interviews, with the effect of limiting access to a carefully chosen selection of organisational members. In relation to one organisation, this resulted in the author only being able to interview paid managers rather than anyone occupying lower (unpaid) positions in the hierarchy. The remaining two took more of an open access approach, preferring to schedule in visiting dates and leaving it open for the author to decide which and how many organisational members to interview. At the time, this raised some concerns about the level of control exercised in relation to who could be interviewed within two of the organisations, which could subsequently present supporters for interview. However, it is interesting to note that there was a greater consistency in organisational perceptions and stories across interviewees where freer access was granted.

A further, but related, issue is that a researcher's access to case study organisations is often granted over a short time period. In this instance, although the author paid multiple visits to each case, the visits usually took place over a period of approximately one month, which does not allow the case studies to take on a temporal or dynamic dimension (Bechhofer & Paterson, 2000). The key methodological suggestion behind dynamic research is that there is a need to 'take time seriously' because static (cross-sectional) research techniques are unable to deal with change and development (Macmillan, 2001). This issue is particularly relevant to consider in the context of this multi-method study, as the focus group and descriptive survey also represent cross-sectional research techniques. Admittedly, the case studies reported here were cross-sectional in nature, due to the time and resource constraints associated with a multi-method PhD study, from the point of view of the researcher, and the pressures faced by the case organisations. Some criticism can be levelled at this approach, in that it may miss the important features of organisational life as dynamic, involving change, development and emergence. However, although the author acknowledges the limitations to a cross-sectional case study approach in this regard, she would point out that exploring change, development and emergence over time - through the perspectives of organisational members - was an explicit aim built into the design of the case-study protocol.

At a practical level, one of the obvious advantages of the focus group method over the individual interview is that greater amounts of information can be gathered in more efficient time spans. However, analysis can prove challenging and extremely time consuming as huge amounts of data are produced very quickly. In retrospect, it may have proved beneficial to use computer-assisted qualitative data analysis software, such as NVIVO, to facilitate the organisational aspects of managing substantial volumes of qualitative data. This may have also allowed for greater and more efficient analytical integration of the focus group data and interview data from the case studies to aid theoretical development. That said, in using such software, it would be imperative to ensure coherence between the analytical techniques employed and the methodological and epistemological approach of the research. From a critical perspective, it would be essential to retain as much of the richness and complexity of data as was practicable; present participants views in their own voices; and represent a range of voices and views (including dissenting views).

The survey phase of fieldwork provided useful data regarding the prevalence and distribution of particular sustainability issues raised in the focus groups. This was important for two reasons. First, the participants in the focus groups were sampled from organisations based in South Yorkshire; an area that has received high levels of external funding programmes, which may have substantially influenced the views of participants in relation to sustainability issues. Second, surveying the views of a significant number of participants from voluntary organisations was an important step in establishing the appropriateness of existing models of organisational change for the study of sustainability – a central aim of the study. However, it is worth re-iterating that the use of this data-collection method would have been inappropriate in isolation from the qualitative focus group and case study fieldwork. It is the author's view that the crudeness of survey questions and data would prevent thorough exploration of the subtleties and complexities of the issues being studied, particularly in relation to the social processes explored through the case study phase (also see sub-section 5.2.2).

It is also acknowledged that in advocating a holistic systemic approach to developing strategies for sustainability, which integrates numerous organisational and environmental elements, the breadth of literature reviewed may have resulted in some compromise in relation to depth. Indeed, it may be argued that there is an insufficiently detailed understanding of different bodies of literature. However, the

benefit of this approach is the opportunity for connecting arguments across different bodies of literature which may otherwise be overlooked. Moreover, it presents opportunities for further research and theoretical development in specifically targeted areas.

11.2 Contribution to Knowledge

This section will now turn to the contribution to knowledge made by this thesis and the research programme informing it. It does so by identifying the deficit in three areas relating to organisational sustainability, strategy and research methodology in the voluntary sector to which this thesis makes a significant contribution. Implications for future research, theoretical development and practice are also highlighted.

11.2.1 Regarding organisational sustainability...

Section 10.3 considered the appropriateness of two existing models of organisational change (Billis, 1996; Glasby, 2001) for the study of sustainability in the voluntary sector. Moreover, it described how the heuristic presented in chapter 8 (figure 6) of this thesis builds upon and addresses the identified weaknesses of the two models. Specifically, the heuristic has served to name the major internal systems (funding/financial management, explanatory, HR, governance and internal accountability) and external systems (policy, regulatory, funding, and constituency) that are important for voluntary organisations to consider when developing strategies for sustainability. Moreover, and perhaps more importantly, it has outlined the interconnectedness between the external (environmental) and internal (organisational) components of the heuristic (see section 10.2). **The systemic heuristic suggested in this thesis thus makes a substantive contribution to understanding the complex nature of sustainability in voluntary organisations. It does so through providing a framework to help voluntary organisations interpret their internal and external worlds - and their interrelationship - to support the development of strategies for sustainability.**

Throughout, this thesis has challenged the view that equates sustainability simply with obtaining sufficient income to carry out an organisation's activities. The implication for practitioners is that the systemic heuristic refers to a set of elements joined together to make a complex whole, an understanding of which is central to developing

strategies for sustainability. In outlining the contribution of this thesis, it is worth reiterating a number of salient points about the mainstream voluntary sector literature dedicated to the topic of change, and ultimately sustainability - although this is often an implicit association.

The most common approach within much of the dedicated voluntary sector literature is to provide a self-help or 'how to' book, which enables voluntary sector workers and managers to understand voluntary organisations and make them function more effectively (Handy, 1988). This approach usually involves employing key lessons from (modernist) organisational theory to teach practitioners how to improve their managerial practice. Throughout, there is an assumption that if the theories are put into practice, voluntary organisations will be able to prosper and grow (see Jackson & Donovan, 1999; Hudson, 1999, 2003; Gann, 1996). As a result, and perhaps in an attempt to make a complex entity appear more manageable, such texts tend to break organisations into their constituent parts and provide prescriptive instructions of how to: manage people; structure the organisation; develop effective boards; exploit changing patterns of funding; determine strategy; strengthen strategic management; manage change; and improve performance. Such approaches fail to expose how members of voluntary organisations apply social values to management and governance practices – a topic to which the author will return later in the chapter.

This study redresses this imbalance by explicitly surfacing complexity and highlighting the major systems that interplay to affect sustainability. Specifically, chapter 8 presented an heuristic, which aimed to depict some of the major *interactions* between the internal setting and external context of voluntary organisations. This systemic approach is counter to the reductionist approach to tackling complexity, which aims to simplify it by dividing a problem into sub-problems or smaller (i.e. easier to manage) components and forms the basis of much of the prescriptive voluntary sector literature. However, herein is the potential problem for proponents of a systemic approach (see Checkland, 1997; Senge 1990). What if, as the author has suggested, essential features of that entity are embedded not in the components but in their interconnectedness? What if its complexity arises from the ways in which its components actually relate to and interact with one another?

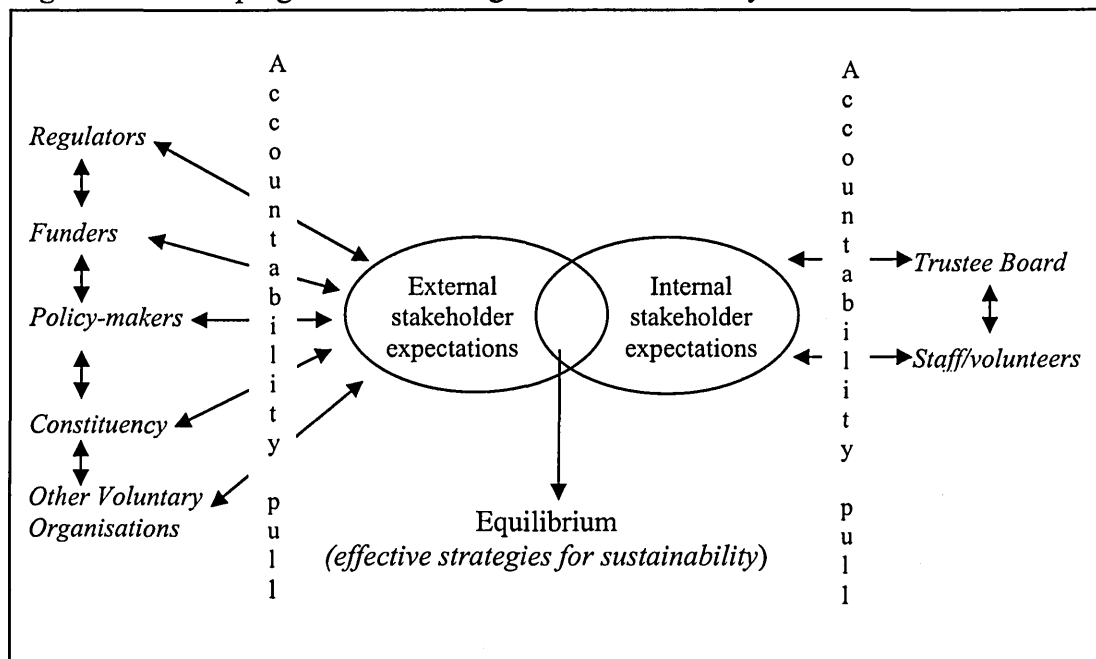
Indeed, a key argument put forward in chapter 10 was that the current funding, policy and regulatory climate in which voluntary organisations operate can serve to divert

their attention from both the constituency they serve and the individuals who contribute to the delivery of mission-based activities. Chapter 10 thus synthesised the data from this study to discuss the relationships between organisations and their environment and explore the interdependencies. The aim of that discussion was to present some of the key strategic choices available to trustees and managers in responding to pulls from the environment. Accountability relationships were constructed as multiple, diverse, conflicting, fluid and central to organisational sustainability. This is because many of the stakeholders to which an organisation may be considered accountable have the potential to affect its capacity for survival and ability to carry out mission-based activity.

The core theoretical issue underlying the discussions in chapter 10 was that when the expectations of different stakeholders are aligned, there is no difficulty. However, when they are not, organisational members must decide whose expectations should be prioritised. In this way, accountability is understood as a strategic choice. Although a number of recent studies (Brown & Moore, 2001; Ospina, Diaz & O'Sullivan, 2002; Ebrahim, 2005) note that accountability pressures can create a situation where organisations 'over-account' to demanding stakeholders (funders, regulators) and/or 'under-account' to stakeholders with less power (beneficiaries, communities, other voluntary organisations), they differ in a fundamental way from this study. Despite acknowledging the board and staff of voluntary organisations as stakeholders in terms of accountability, there is little research that explicitly considers the way in which accountability pressures can influence the interpretation of governance roles and the subsequent implication this may hold for the board/staff interface.

Sub-section 11.2.2 will discuss this issue in further detail, but for now, the central argument is that decisions about which stakeholders' needs and expectations are embraced, and which are resisted, can have substantial impacts on an organisation's mission, strategy, and operations because they represent important drivers for organisational behaviour. This study suggests that balance is the crucial factor, with the most effective organisations being the ones that can meet the expectations of one stakeholder, without comprising those of others over the medium to long-term (see figure 8):

Figure 8: Developing effective strategies for sustainability



Source: Author

This thesis, unashamedly, has failed to provide a prescriptive approach to sustainability, strategy and change. This would no doubt fly in the face of those people who take a managerialist approach to organisation research and practice and are interested in organisations from a particular perspective. Namely, how to manage them more effectively - which often leads them to share the political and intellectual interests of managers (Grey, 2005). Proponents of such an approach would perhaps critique the lack of prescribed solutions to the issue of developing strategies for sustainability in the voluntary sector presented here. However, the validity of such concerns depends on whether the researcher/practitioner aims to (and believes it is possible to) provide prescriptive solutions to complex phenomenon in the first place.

The author has thus aimed to communicate something of a more critical approach to organisation research, organisation theory and management practice in the voluntary sector. By doing so, she has problematised the prescriptive approach to strategy and change, which assumes organisational settings are homogenous with respect to certain relevant features. In other words, that which assumes:

"...Doing what another organisation did with a different set of people, in a different place, at a different time will yield the same results as those claimed for the original implementation."

(Grey, 2005 p. 99)

For a growing number of commentators in mainstream organisation and management theory, this is an untenable position (Chapman, 2002; Grey, 2005) as it is surely not possible to know what would have happened in the absence of any particular change programme or strategy, or which effects can be attributed directly to them. Indeed, the case study fieldwork presented here has demonstrated that the heterogeneity of stakeholders and their demands on the case organisations studied precludes the adoption of blanket prescriptions regarding strategies for sustainability. The implication is that the different components of the heuristic are more critical to some organisations than others.

Rather than advocating one particular approach to sustainability, the contribution of the heuristic presented in chapter 8 is in providing a framework for critical reflection in developing strategies for sustainability (see chapter 10 for a wider discussion). In short, the heuristic aims to allow for organisational variations within a systemic structure. The proposed framework for developing strategies for sustainability therefore aims to be both stable and flexible, allowing practitioners (and researchers) to adapt it to fit specific contexts. For example, the framework assumes that certain environmental and internal systems transcend most if not all organisations, but that the nature and relative importance of these systems and their features varies between organisations.

11.2.2 Regarding strategy development...

It could be argued that all voluntary organisations pursue strategies for sustainability, be it through an explicit formal plan or a general perspective about an organisation's fundamental way of doing things in accordance with its overall mission. Due to the heterogeneity of voluntary organisations, the content of such strategies is diverse, as is the process by which they are developed. Allied to the critical approach to management research and theory adopted by the author, **this thesis has moved beyond the issue of strategy content and highlighted that strategy making in the voluntary sector is a complex process, involving sophisticated, subtle and, at times, subconscious social processes, representing a further contribution to the voluntary sector literature.** A central issue here appears to be the way in which organisational members, particularly trustees and senior managers apply (often implicit and taken for granted) social values and theories about the nature of organisation to the governance and management of voluntary organisations.

Chapter 10 has illustrated that to study, govern and manage voluntary organisations involves thinking about philosophy, politics and ethics. In the context of strategy development, and accepting the argument presented above - that effective strategies for sustainability involves balancing a system of relations to meet competing stakeholder expectations - this equates to considering who says what the job is, how it should be done, and how people are affected by doing it one way rather than another (Grey, 2005).

Much voluntary sector literature places the trustee board at the heart of policy and strategy making (Carver, 1990; Cornforth, 2003; Governance Hub, 2005; Governance Hub 2007), meaning trustee boards are central to deciding who sets the agenda at the organisational level: should those who provide the resources have the most influence? Should the beneficiaries of the organisation be the primary focus? How much attention should be paid to statutory and voluntary sector partners? What role should staff play in crafting the organisation's mission and strategy? The preceding subsection argued that, a successful strategy is one that negotiates and aligns as far as practicable the different needs of a diverse range of stakeholders. However, this study shows that if and how various stakeholders are involved in such negotiations varies enormously between organisations. Moreover, involvement is often determined by the social values and assumptions applied by trustees and managers (see chapter 10).

Drawing on the case study data underpinning this thesis, chapter 10 developed and presented a meta-theoretical view of human resource/governance dynamics and the strategy development process. This model highlighted a number of implications associated with employing unitary and pluralist perspectives in the governance and management of voluntary organisations. The purpose of developing this typology is not to deem one approach right and the other wrong. Its aim is to highlight that each outlook applies a different body of knowledge or theory and holds different implications for the HR/governance dynamic and the nature of strategy and change.

This study indicates that acceptance of a certain approach - be it unitary or pluralist - among key organisational groupings is associated with the degree to which that approach honours the social values expressed in the organisation's service work. For example, organisations involved in capacity-building, by their nature, espouse a commitment to strengthening service users'/beneficiaries' ability to achieve their own purposes and aspirations, rather than those specified by the organisation or its funders.

To operationalise this commitment involves allowing service users/beneficiaries to influence the means used to accomplish their goals and also the ends themselves. At the same time, staff who are attracted to work for such organisations by the values expressed in their service work, often expect the same values to be embodied in the way they are treated as employees.

In discussing strategies for sustainability there are wider issues than those relating to finance – a resource-based view involves examining all resources, including people, with the aim of maximising their use and contribution to the organisation. Again, the focus of the voluntary sector strategy and change literature promotes, almost entirely, a rational prescriptive approach (Bryson, 1995; Copeman et al., 2004) which fails to ask philosophical, political or ethical questions regarding such endeavours. The suggestion here is that the emotional side of strategy is too often ignored, particularly in the voluntary sector literature. If strategy is, at least partly, about collective purpose and shared visions of the future, trustees and managers of voluntary organisations must recognise this explicitly in the way they create strategy.

Indeed, this study shows that some voluntary organisations have deeply involved individuals throughout the organisation in the strategy process as a means of creating, raising and sustaining commitment to a co-created future vision of the organisation. This has provided new insights into the importance of the strategy creation process; however, the author would suggest that there is great potential for further research in this important and so far under-developed area. While mainstream research has identified several bases of loyalty, including affective (emotional) commitment and continuance (economic) commitment (Allen & Meyer, 1990; Bansal et al., 2004), this has not been a feature of voluntary sector research in the context of the strategy process. A deeper understanding of the contribution the strategy process can make in relation to affective commitment may prove informative to practitioners in the voluntary sector, where the extrinsic/economic rewards available to employees are often relatively low. Indeed, Alatrasta & Arrowsmith (2004) suggest the relatively low rates of pay in the UK voluntary sector necessitate forms of human resource management that emphasise non-financial means of eliciting employee motivation and commitment. This area is of particular interest to the author in developing a future research agenda.

11.2.3 Regarding methodology...

Chapter 2 illustrated that much of the literature pertaining to the operating context of voluntary organisations focuses at the macro or sector level, without an explicit detailed analysis of the implications for sustainability at a micro or organisational level. **The multi-method approach adopted here has combined a macro and micro level analysis through survey, focus group and multiple case study fieldwork, representing a methodological contribution to studying sustainability in the voluntary sector.**

In terms of methodology, the case study approach is popular with many voluntary sector researchers (See Billis, 1996; Alcock et al., 1999; Scott et al., 2000; Glasby, 2001; Macmillan, 2003). The case study approach thus makes a key contribution to our understanding of the complexity of voluntary action; it provides a detailed insight into the changes and dynamics of a voluntary organisation. Indeed, the leading voluntary sector organisational change models reviewed in chapter 4 have been based solely on a case study approach, raising the following three issues:

1. Both Billis (1996) and Glasby (2001) present retrospective models of how a small number of voluntary organisations survived change. Neither author attempts to emphasise the ways in which organisations can be proactive in understanding the connections within and between their organisational systems and their operating environment; ultimately building for a more sustainable future.
2. Both models have been based solely on a case study approach. The wider relevance of such models is therefore unknown beyond the scope of the case study organisations from which the models were developed. The descriptive survey fieldwork employed within this research programme provided an assessment of the prevalence of issues across a relatively large sample of organisations. This was an important step in establishing the appropriateness of existing models of organisational change for the study of sustainability within voluntary organisations – a discussion of which was presented in chapter 10.
3. Glasby's model in particular was developed at the concluding phase of the research (i.e. after data collection had ceased). Again, this means there is

no indication as to whether the model is as relevant for other organisations as it appeared to be for the Birmingham Settlement. The multi-method approach employed here provided the opportunity to assess the relevance of the heuristic (developed from the focus group and survey fieldwork) during the final multiple-case study phase of this programme of research, allowing for further development and refinement.

This study therefore offers a methodological approach that remains underutilised in the domain of organisational sustainability specifically, and the area of voluntary sector studies generally, enabling an appropriate and comprehensive investigation of the central research questions. The qualitative and quantitative methods offer information that neither one alone could provide, and represent a balance between breadth and depth of data. In summary, such a strategy would seem to allow the various strengths of each method to be capitalized upon and the weaknesses somewhat offset. While the survey method may be the most effective way to discover the prevalence and distribution of particular sustainability issues, focus groups and case studies are useful in understanding more fully organisational member's experiences, developing conceptual frameworks and delving further.

11.3 Practical and Policy Implications

The findings of this study have called into question much of the prescriptive literature on governance. This body of literature recommends a clear separation between the governance and management of voluntary organisations (Carver, 1990; Cornforth, 2003; Governance Hub, 2005; Governance Hub 2007) and focuses the governance role largely on policy-making, strategy and accountability. In an environment where organisations are recruiting professional trustees in response to the regulatory and legislative demands of the accountability environment, trustee boards can become sealed off from the organisational activity and stakeholders they are responsible for making decisions about and on behalf of. This is of considerable concern where accountability efforts and mechanisms do not occur in isolation, but are reflective of the relationships among stakeholders in a social and organisational environment. If the trustee board is isolated from those stakeholders with less power (constituencies and staff), there is an increased likelihood that accountability mechanisms and strategic priorities may be skewed towards the interests of dominant actors (funders, regulators, the board itself and senior management).

A further danger in this approach, is that trustee boards can become heavily reliant on the chief executive to represent the organisation to them. The success of this approach is dependent on the integrity of the chief executive to act in the interests of the common good and provide an accurate representation of the organisation to the trustee board. This study has highlighted a number of instances where such approaches have proved a threat to organisational survival. Furthermore, identifying the CEO and chairperson as having responsibility for good governance prioritises their role in strategic decision-making, but does not provide representation for staff. This is contrary to a view of sustainability where success is dependent on retaining the commitment of all stakeholders, which necessitates governance and management systems that encourage dialogue and debate between them in order to shape mission, priorities and strategy.

This research indicates that there are issues beyond the moral case for involving staff in strategy creation. At a practical level, the board of trustees, by virtue of their roles and responsibilities, are officially responsible for strategy development and reviewing performance. However, they are generally not responsible for implementation. If the distinction between strategy and implementation is not collapsed by closely involving the implementers in formulation, there appears to be an increased chance that the design of strategies will fail to take into account the realities of implementation. Additionally, the case study data indicates that implementers who are not actively enabled to share and develop images of the future are perhaps less likely to align their work, or to even understand the organisation's strategy in the first place. The implication for practitioners is not only that effective strategies depend on a diversity of voices, but also on the connections between those voices. For strategy to emerge, organisations need new conversations that cross the boundaries of function, hierarchy and geography (Hamel, 1997).

The suggestion that governance roles are not susceptible to implementation in isolation from other organisational roles, but are contingent on and interdependent with the role of staff, holds implications for both the guidance issued by the Charity Commission (see Charity Commission, 2007b; 2007c) and Governance Codes of Practice (see Governance Hub, 2005). Charity Commission guidance (e.g. Charity Commission, 2007b) reinforces the duties of trustees as:

- **ensuring compliance** with legal and regulatory requirements and the organisation's own governing documents
- **duty of prudence** through ensuring the charity remains solvent, wise use of assets and avoidance of undue risk
- **duty of care** through exercising reasonable care and skill and the use of personal knowledge and experience in the governance of the organisation.

Such guidance forms the basis of governance codes of practice, such as that produced by the Governance Hub (2005). Although the Code and Charity Commission guidance moves beyond the legal and regulatory requirements of governance to recommend areas of good practice, they nevertheless fail to recognise the social dynamics that this study - and others (see Ridley-Duff, 2007) - suggests underpin the successful governance and management of voluntary organisations.

In practical terms, responding insightfully to the multiple pulls in the accountability environment in order to develop successful strategies for sustainability (see figure 8), will involve a continuous process of identifying relevant stakeholders, establishing stakeholders' expectations, assessing the importance of these expectations against others, deciding what areas to focus energy on and developing operational capacity and competence. The process by which this is achieved can be understood as a strategic choice with far-reaching implications for an organisation's mission, strategy, and operations. At the present time, guidance and codes of practice for good governance do not raise awareness of such subtleties, but instead reinforce systems of governance that prioritise conformance in their conduct, perhaps at the expense of longer-term social and organisational change.

A further implication of the findings of this study relates to the assumption that voluntary organisations are an effective method for distributing welfare, on the premise that they enhance citizen participation, fulfil the needs of diverse social groups and involve these groups in social policy. The current policy environment is one where (financial and political) support for voluntary organisations is, at least to some degree, built upon their democratic credentials (Cahill, 1994; Elstub, 2006). Paradoxically, this study suggests that the monitoring and regulatory requirements set by funders, policy-makers and regulators in a bid to manage and reduce risk, may undermine participation (see 10.2.1 for a wider discussion). This is, perhaps,

particularly the case where voluntary organisations are already characterised by a unitary approach to governance and management (refer to 10.4 and 10.5 for further discussion).

Although recognising the legitimate roles for conventional accountability and regulatory mechanisms, this study has highlighted a number of potential, but fundamental, downsides of such efforts. As suggested throughout chapter 10 and section 11.2, the challenge for organisational members, in the context of sustainability, lies in finding a balance that is consistent with their mission and values.

11.4 Summary

This chapter has reviewed the limitations of the study, with a particular focus on the research methods employed; the challenges presented by gaining access to research participants; and the implications this has for the temporal and emancipatory dimensions of critical research. The contribution of this thesis was then explored through consideration of three key areas, namely: organisational sustainability, strategy and research methodology. Finally, the chapter culminated in a summary of the key practical and policy implications arising from the findings of the research.

In sum, this thesis has made the case for an integrated approach to organisational sustainability in the voluntary sector - focusing on the relationships between strategy, organisation (internal) and environment (external). By so doing, there is an implicit suggestion that an organisation's long-term ability to accomplish its goals/mission – a key feature in the definition of sustainability set out in chapter 1 – involves congruence (or fit) within and between the organisation and its external environment. Specifically, a key contribution of this thesis has been to present an integrated systemic heuristic that can be used as a framework to encourage critical reflection amongst practitioners developing their sustainability roadmap.

The second key contribution of this thesis has been the move beyond content to consider the strategy creation process. Beyond the moral arguments for involving individuals throughout the organisational hierarchy in strategy development, research participants in this study suggest some of the practical benefits associated with such an approach include the potential for increased loyalty and commitment; opportunities for shared learning; increased co-ordination, and; a willingness to align their work to the strategies they have co-created amongst employees.

Ultimately, one of the conclusions of this thesis has been that the process of strategy creation is often as important to key organisational groupings as its content/outcomes; something that the voluntary sector strategy literature has, to date, generally failed to acknowledge or explore. It is the author's contention that voluntary organisations could utilise the strategy process to surface, articulate and test assumptions across organisational functions and hierarchy. This is especially relevant because of the turbulent environment that many organisations in the voluntary sector face and the diversity of the many stakeholders who have an interest in the organisation's long-term ability to achieve its mission. The author has thus attempted to draw out and present some of the implications of employing - and, indeed, not employing - such a pluralist approach to developing strategies in a voluntary sector context through the meta-theory presented in chapter 10.

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APPENDIX 1: FOCUS GROUP TOPIC GUIDE

Individual introductions and organisational background.

- Q1) What does organisational sustainability mean to you?
- Q2) External influences:
- (a) What are the main factors (people or bodies), *outside* your organisation, which affect the sustainability of your organisation?
 - (b) In what ways do they influence or impact on your organisation?
 - (c) What, in your opinion, are they seeking from their relationship with your organisation?
 - (d) Do you try to manage the impact they have on your organisation, and if so, how?
- Q3) Internal influences:
- (a) What are the main factors *within* your organisation that affect its sustainability?
 - (b) What are the potential affects of the above on the organisation?
 - (c) How does your organisation manage or respond to this?
- Q4) Critical factors and strategies:
- (a) Thinking of your previous discussions, what is the *most* significant obstacle organisations will need to overcome in order to achieve long-term sustainability?
 - (b) How can this be best achieved?

Coding Table:

Themes	Major Categories	Minor categories/open codes
1. Human Resources	Recruitment/Retention	Short term funding Perception of sector Lack of career structure
	Skills/Experience	Increased employment/competition Training opportunities Support and supervision Funding/monitoring requirements
2. Governance	Recruitment/Retention	Complexity of operating environment Liability Perception/profile of organisation Motivation Commitment Development
	Representation	Diversity (BME, women, etc) Skills/knowledge base Funders policies
	Role	Contact with staff Isolation from organisation Reliance on few core individuals Retaining strategic vision Creating shared vision
Etc	etc	Etc

APPENDIX 3: SAMPLE FOCUS GROUP EXTRACT: CONVERSATION ANALYSIS

P1: Sustainability means personnel sustainability... that's the key for me, is... having been through it with the **** project, the health one. We had a fabulous project worker, and because we were on this sort of, bidding for the passing ship of money, the insecurity and the lateness of paperwork coming to us, and the insecurity that she had... she left us. For her benefit it was actually very good because she ended up with a very interesting career as a result, but, it was our loss and we've got the same issue at the moment. We've taken over this theatre, it's now in the *** Partnership and all these issues about keeping the... are we going to keep it going... it's over used by people now, it's got a financial future, but we need priming to get it going and all community issues to do with the charitable aims are there, and yet the priming of the whole thing is held back. So the sustainability is basically keeping people who need a job, want a job, that are useful to our community and our project, and fulfil everything. We don't have that sustainability personally, and I don't see how people, good people like that can you know... give a commitment, and that's what we need. I don't know what you feel?

P2: I suppose, that I would support what you've said, but because most of the people I employ are on annual contracts, because that is how social services contract... until this year, this time we've got a two year for the first time... I'm use to a turnover of staff because I can never give any more security than that one year. Except within young peoples, where at one time we would have three years, but that then means as you come to the end of that three years you have nothing, because nobody is going to pick up your funding until you are dead in the water [sigh P1]. So you... we have actually funded, from within house, for three months to try and cover that period. But even so, we're having to provide hope... and we have staff that we have grown, trained... for three years. I've lost one, I've got two left... I've an idea I'll lose one of those... come hell or high water I'll keep the last one. But it is... we've learnt... [P3s] been there, I've been there, I've seen... all you can say is you've launched so many good staff out into the sector, that at least we've done something right [laughter P2].

P1: Yes. Yes.

P3: Staffing is critical. This short term question... I certainly whole heartedly agree with what [P2] says. It's a major problem... that you get people trained up, keen, working well and all of a sudden... bang, the funding comes to an end for a particular project and you've lost an absolutely marvellous person. So, in that sense, it's the sust... sustainability is... has a big knock in those circumstances. Sustainability is wrapped up also within the... the problem of doing short, medium term projects themselves. Because, it takes that length of time to get a good project up and running... to really get it motivating, and unless you can then get the funding to carry it on after that, then the whole thing shuts down and it's gone. And that's where I would slip in here central government, because central government... and you can understand why they do it... but they come up with these wonderful quick fixes to try to solve potential, well existing problems not potential problems, because they're reactive rather than proactive. And... they will set a whole new range of guidelines and rules for those of us who are desperately trying to make the communities succeed, and

then change dramatically and all of a sudden all the work you've done... because it's moving society in this direction then the other direction... is lost, and... which is where I would... one is, sustainability is also so dependent on the partners that you're working with. And particularly here in the voluntary sector, there are two aspects here I think which all of us have to live with and accept and understand... and number one is, some... a voluntary sector organisation is usually only as good as the people that are running it at a particular moment in time...

P2: Mm.

P3: ...and some organisations will succeed because they've got good people running them, and marching the thing forward. On the other hand, you have others who, for whatever reason, they have a weak person at the top and the thing dies. Because some of them are so small that you are talking about one, two, or three people to hold the thing together, and if you haven't got the right people in there, you... we may lose a partner, a potentially good partner. We are all, whether we like it or not, we are all very dependant upon the partnerships we variously have with the public sectors, and that is getting more and more... we don't have to like it, but it's, it's there and therefore one has to learn to work with the public sector partners. Because, certainly as far as my organisation's concerned, without the public sector, we would not survive... that's where the bulk of the money comes from... and one has to learn to work with them in almost a political, with a small 'p', environment to be able to succeed.

APPENDIX 4: SURVEY PARTICIPANT PROFILE

The following represents the profile of the 398 organisations participating in the survey questionnaire from across England and Wales in each of the identified Annual Return classifications (see chapter 6 for further information on sampling).

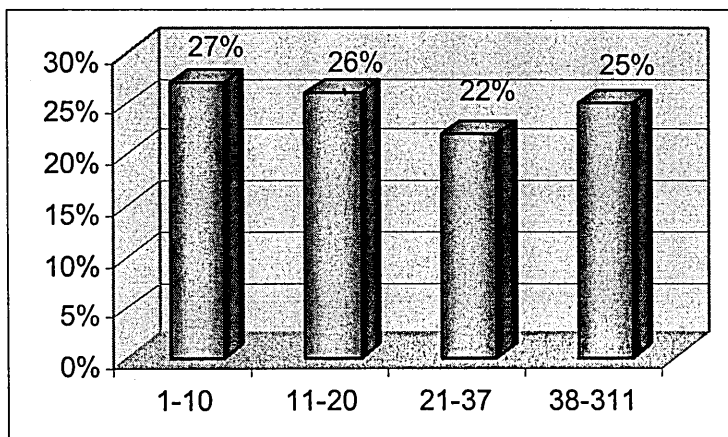
Organisational Role

43% of respondents were chief executive officers, 29% 'other' paid workers and 28% were trustees.

'(organisation) age'

The sample of organisations involved in the survey ranged from newly established organisations operating for 1 year to those which had been in existence for 311 years – the average (mean) 'age' of the organisations in the sample was 31.6 years. The chart below shows the age bands of the organisations (in quartiles):

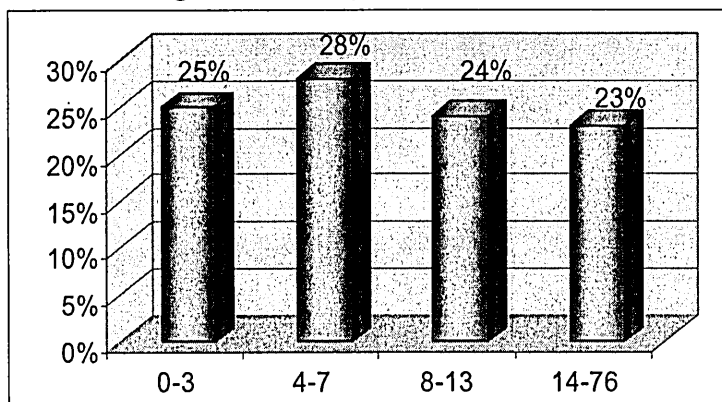
Chart 1: Organisations by 'age' category (quartiles)



Human Resources

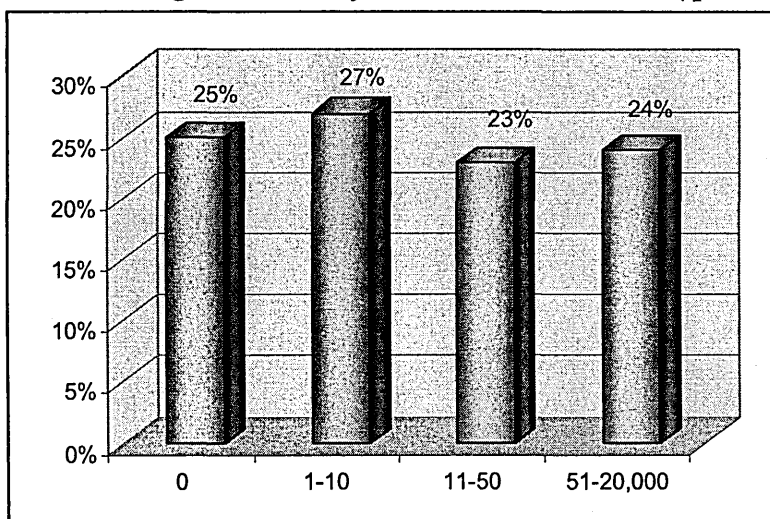
The organisations in the sample were diverse in terms of staffing levels, ranging from organisations which had no paid employees to one with 76 members of staff (or 43 Full Time Equivalents [FTEs]). The average number of staff within these organisations was 10 (or 6.8 FTEs). Organisations within the sample most commonly have between 4 and 7 members of paid staff in absolute terms. Chart 2 shows the level of staffing (in absolute terms) within these organisations presented in quartile categories:

Chart 2: Organisations by number of staff (quartiles)



This diversity continued in relation to the use of volunteers within these organisations, with some having no volunteer support to one who had over 20,000 volunteers associated with the organisation in some capacity. The average (mean) number of volunteers per organisation was 217. However, it is important to note that this average is sensitive to a small number of organisations with a very high number of volunteers. Chart 3 shows that the largest proportion of the sample (27%) are those organisations with between 1 and 10 volunteers:

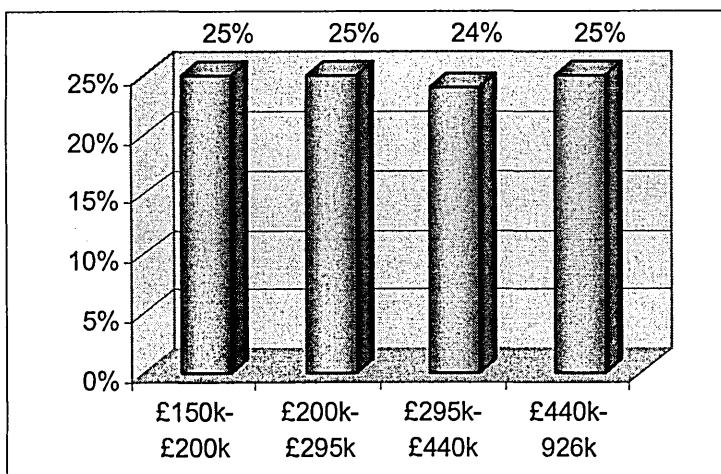
Chart 3: Organisations by number of volunteers (quartiles)



Annual Income

The annual income of the organisations ranged from £150,000 to £926,000, with an average income of £349,856 per annum. Chart 4 shows the sample organisations by income category quartiles:

Chart 4: Organisations by income category (quartiles)



APPENDIX 5: SURVEY QUESTIONNAIRE

"SUSTAINABILITY IN VOLUNTARY ORGANISATIONS - A SURVEY"

1 ORGANISATIONAL DETAILS

Name of Charity:

Your Position/Role:

How long has the charity been in existence?

How many paid staff (in total) do you employ?

How many (full time equivalent) paid staff do you employ?

How many volunteers do you have?

Please note that within the context of this survey the term "funders" is taken to refer to all possible funders including individual donors, statutory bodies, charitable trusts etc.

On a scale of 1 to 5, please circle the category which best reflects your attitude to the following statements (please circle N/A for any statement which is not applicable to your organisation):

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
2 STAKEHOLDERS & ACCOUNTABILITY						
1 The success of the organisation is dependent on the individuals who donate money to our work	1	2	3	4	5	N/A
2 There are few processes within the organisation that allow service users to be involved in the decision making process	1	2	3	4	5	N/A
3 The success of the organisation is dependent on the financial support of charitable trusts	1	2	3	4	5	N/A
4 Our success is reliant on generating income from trading goods and/or services	1	2	3	4	5	N/A
5 Service users are one of the organisation's most important assets	1	2	3	4	5	N/A
6 The success of the organisation is influenced by its relationship with the general public	1	2	3	4	5	N/A
3 FUNDING						
7 Organisations which do not have a diverse range of funding streams are at risk of sacrificing their independence	1	2	3	4	5	N/A
8 We would not apply for funding unless it fits closely with the organisation's own mission	1	2	3	4	5	N/A
9 We have little control over the targets/outputs relating to our funding streams	1	2	3	4	5	N/A
10 Funders' preoccupation with funding new initiatives forces us constantly to 'reinvent the wheel'	1	2	3	4	5	N/A
11 The majority of our outputs and targets related to our funding streams are inline with the organisation's aims/objectives	1	2	3	4	5	N/A
12 Some of our funding objects are in conflict with our internal values and ways of working	1	2	3	4	5	N/A

continued...

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
13 The organisation relies heavily on donated/grant income	1	2	3	4	5	N/A
14 The organisation generates significant income from trading goods and/or services	1	2	3	4	5	N/A
15 The organisation has an appropriate balance of restricted / unrestricted funds	1	2	3	4	5	N/A
16 The monitoring required by our funders is proportional to the amount of funding we receive from them	1	2	3	4	5	N/A
17 Our organisation responds effectively to changes in the external (policy/funding) environment	1	2	3	4	5	N/A
18 Our organisation is a professional agency and shouldn't be dependent on charitable funding	1	2	3	4	5	N/A
19 Please tell us about any experience you may have had, which threatened the long term survival or effectiveness of your organisation:						

4 CORE COSTS

20 The organisation has difficulty in resourcing its core activity/costs (e.g. management and infrastructure)	1	2	3	4	5	N/A
21 The organisation makes significant investment in complying with regulatory bodies (Charity Commission/Companies House etc)	1	2	3	4	5	N/A
22 The organisation invests a great deal of time servicing the fundraising process	1	2	3	4	5	N/A

continued...

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
23 The organisation invests significant amounts of money in premises	1	2	3	4	5	N/A
24 The organisation invests significantly in equipment	1	2	3	4	5	N/A
25 The funding we secure for projects/services almost always reflects the total cost of providing the activity	1	2	3	4	5	N/A
26 Organisational planning and development is vital for the long term future of the organisation	1	2	3	4	5	N/A
27 The most important issue for the organisation is its short to medium-term survival	1	2	3	4	5	N/A
5 HUMAN RESOURCES						
28 Our staff are vital to the long term success of the organisation	1	2	3	4	5	N/A
29 The short-term nature of funding has a detrimental impact on the recruitment and retention of staff	1	2	3	4	5	N/A
30 The organisation provides appropriate training opportunities for staff	1	2	3	4	5	N/A
31 Any training provided is aligned to an organisational development plan	1	2	3	4	5	N/A
32 Most staff are committed to the overall values of the organisation	1	2	3	4	5	N/A
33 All staff receive an appropriate level of support and supervision	1	2	3	4	5	N/A
34 Staff often struggle to provide services/activities and meet the monitoring requirements of funders	1	2	3	4	5	N/A
35 Volunteers are an important factor in the organisations success	1	2	3	4	5	N/A
36 The organisation provides appropriate training opportunities for its volunteers	1	2	3	4	5	N/A
37 All volunteers receive an appropriate level of support and supervision	1	2	3	4	5	N/A
6 GOVERNANCE						
38 The board of trustees is an important factor in the organisations long term success	1	2	3	4	5	N/A
39 It is increasingly difficult to recruit new trustees	1	2	3	4	5	N/A
40 The organisation invests in developing its trustees' skills and expertise	1	2	3	4	5	N/A
41 We have a diverse range of people on our board of trustees	1	2	3	4	5	N/A

continued...

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
42 The effectiveness of our board is reliant on just a few core individuals	1	2	3	4	5	N/A
43 There is regular contact between the staff and trustees	1	2	3	4	5	N/A
44 The board of trustees is fairly isolated from the organisation	1	2	3	4	5	N/A
7 PARTNERSHIP WORKING						
45 The success of the organisation is influenced by our relationship with the public sector	1	2	3	4	5	N/A
46 The organisation is vulnerable to changes in government priorities	1	2	3	4	5	N/A
47 The public sector only engage with the voluntary sector when it is supported by national policy	1	2	3	4	5	N/A
48 The success of the organisation is dependent on effective collaboration with other voluntary organisations	1	2	3	4	5	N/A
49 The competition created by diminishing grant funding may undermine collaboration between voluntary organisations	1	2	3	4	5	N/A

50 Please tell us about any steps you have taken to ensure the long-term future of your organisation:

Please provide the following details *if* you would be willing for us to contact you regarding this research at a later date:

Your Name:

email:

Telephone:

THANK YOU VERY MUCH FOR YOUR HELP

Please return the completed questionnaire to Tracey Coule, Centre for Voluntary Sector Research, Sheffield Hallam University, FREEPOST SF 84, Pond Street, Sheffield, S1 1AY (ref 6000), in the enclosed pre-paid envelope.

continued...

APPENDIX 6: CASE STUDY QUESTIONS AND INTERVIEW SCHEDULE

Overarching Case Study Questions (to the author)

General Theme	Questions	Method / Data Source
The organisation in operation	a) Describe the organisation in detail, including its purpose (vision, mission & aims), the nature and amount of its funding, staffing levels (paid and unpaid) and governance arrangements, and how long it has been in existence.	Document analysis: current annual report & accounts, constitution, website/promotional material.
	b) How did the idea for the organisation start – what were the original goals and target populations or areas for the organisation?	Document analysis: previous annual reports and promotional material. Individual interviews: Key staff and trustees.
	c) In what ways is the organisation innovative, compared to other organisations of a similar kind or in the same geographic area?	Individual interviews: Key staff and trustees.
	d) What is the nature, if any, of collaborative efforts between the organisation and other organisations of a similar nature or in the same geographic area?	Document analysis: current annual report, strategic/business plan, website/promotional material. Individual interviews: Key staff and trustees.
	e) How does the organisation evaluate its activities and what are the measures being used?	Individual interviews: Key staff and trustees. Document analysis: monitoring / performance / evaluation reports, strategic/business plan.
The organisation's approach to sustainability	a) Describe the organisation's approach to funding its activities.	Individual interviews: Key staff and trustees. Document analysis: historical and current annual accounts, Board meeting minutes.
	b) How does the organisation approach strategy development and change management and what level of importance do members of the organisation attach to it?	Individual interviews: Key staff and trustees. Document analysis: Strategic/Business Plan
	c) In what ways do organisational members relate strategy and change to organisational sustainability?	Individual interviews: Key staff and trustees. Document analysis: Strategic/Business Plan
	d) What is the nature of the relationship between the Governance and HR systems of the organisation and how does this affect major resource decisions, the setting and safeguarding of mission and values, and the decisions regarding long term goals?	Individual interviews: Key staff and trustees. Document analysis: Board meeting minutes. Observations?

INTERVIEW SCHEDULE

Opening Question:

Could you tell me a little about your role – how long you've worked here, nature of your work and what attracted you to work here etc.

Main Questions:

1. I'd like to just briefly explore the history of the organisation in terms of how and why it first came into being... basically, who founded the organisation and why?
2. Have the goals and target audience of the organisation changed much since then? And if so, how and why?
3. Can you tell me a little bit about the organisation's approach to its activities, specifically:
 - What you offer that other organisations in the area don't?
 - Does the organisation collaborate/work in partnership with other charities or with the statutory sector – what is the nature of this relationship?
 - How and why does the organisation evaluate its activities?
4. From what sources does the organisation fund its activities (contracts, membership fees/grants etc)?
 - What is the process for deciding whether to pursue a particular source of funding – who decides and what factors do they consider? (trade-offs regarding autonomy, how much internal adjustment will need to be made, compatibility with existing processes, values and culture etc?)
 - Has the organisation ever said 'no' to pursuing a funding source and if so, why?
5. What are the main issues for the organisation in resourcing its activities?
6. Could you tell me about the nature of and approach to staffing within the organisation?
 - For example, are most staff project based on short term or permanent contracts?
 - How is recruitment and retention of staff/volunteers?
 - What's good about working for the organisation – what is important to you?
 - Could you tell me how the organisation supports its staff to enable them to do their job effectively?
 - How involved is the staff team in making key decisions about the future?
7. I'd now like to explore how the board of trustees operates, specifically:
 - How often do they meet, and are the meetings productive (and in what way)?
 - How is recruitment/retention of trustees?
 - Does the organisation invest in developing its trustees?
 - What do you see as the role of the trustees?
 - Do the trustees collectively discuss sustainability, and if so what issues do their discussions centre on?
 - How involved are they in the organisation?

8. What are the main challenges for the board of trustees, and what is their approach to managing these challenges?
9. Considering the two collectively now, could you describe the relationship between the trustees and the staff team?
 - How important is the relationship, and what in your opinion makes for a good board/staff relationship?
10. What approach does the organisation take to strategy development?
 - Is there a formal, planned process or does it tend to be emergent? Who is involved, at what stage and how?
 - What are the key factors you take into account when developing strategy?
 - What does the organisation use strategic planning for / what is its purpose / how is it viewed within the organisation?
 - Do you see strategy as being important to the organisations sustainability and why?
11. Could you tell me about any experience you may have had, which threatened the long term survival or effectiveness of the organisation, and what factors enabled it to turn the situation around?
12. What are the key factors you believe are crucial to the organisations future sustainability?

APPENDIX 7: BIVARIATE CROSS-TABULATION TABLES

See appendix 5 for corresponding list of survey items.

Q2

Response by respondent role:

Role of Respondent * Stakeholders 2 Crosstabulation

			Stakeholders 2					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	27	55	30	34	6	152
		% within Role of Respondent	17.8%	36.2%	19.7%	22.4%	3.9%	100.0%
	Paid worker	Count	14	36	22	23	5	100
		% within Role of Respondent	14.0%	36.0%	22.0%	23.0%	5.0%	100.0%
	Trustee	Count	9	35	14	24	6	88
		% within Role of Respondent	10.2%	39.8%	15.9%	27.3%	6.8%	100.0%
Total	Count	50	126	66	81	17	340	
	% within Role of Respondent	14.7%	37.1%	19.4%	23.8%	5.0%	100.0%	

Q5

Response by respondent role:

Role of Respondent * Stakeholders 5 Crosstabulation

			Stakeholders 5					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	5	5	22	55	64	151
		% within Role of Respondent	3.3%	3.3%	14.6%	36.4%	42.4%	100.0%
	Paid worker	Count	1	7	12	39	41	100
		% within Role of Respondent	1.0%	7.0%	12.0%	39.0%	41.0%	100.0%
	Trustee	Count	3	10	11	33	30	87
		% within Role of Respondent	3.4%	11.5%	12.6%	37.9%	34.5%	100.0%
Total	Count	9	22	45	127	135	338	
	% within Role of Respondent	2.7%	6.5%	13.3%	37.6%	39.9%	100.0%	

Q7

Response by respondent role:

Role of Respondent * Funding 7 Crosstabulation

			Funding 7					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	1	12	18	79	47	157
		% within Role of Respondent	.6%	7.6%	11.5%	50.3%	29.9%	100.0%
	Paid worker	Count	1	12	19	50	26	108
		% within Role of Respondent	.9%	11.1%	17.6%	46.3%	24.1%	100.0%
	Trustee	Count	3	12	22	41	18	96
		% within Role of Respondent	3.1%	12.5%	22.9%	42.7%	18.8%	100.0%
Total	Count	5	36	59	170	91	361	
	% within Role of Respondent	1.4%	10.0%	16.3%	47.1%	25.2%	100.0%	

Q9

Response by respondent role:

Role of Respondent * Funding 9 Crosstabulation

			Funding 9					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	26	71	20	25	7	149
		% within Role of Respondent	17.4%	47.7%	13.4%	16.8%	4.7%	100.0%
	Paid worker	Count	14	47	25	11	4	101
		% within Role of Respondent	13.9%	46.5%	24.8%	10.9%	4.0%	100.0%
	Trustee	Count	19	41	13	14	4	91
		% within Role of Respondent	20.9%	45.1%	14.3%	15.4%	4.4%	100.0%
Total	Count	59	159	58	50	15	341	
	% within Role of Respondent	17.3%	46.6%	17.0%	14.7%	4.4%	100.0%	

Q10

Response by respondent role:

Role of Respondent * Funding 10 Crosstabulation

			Funding 10					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	10	18	35	52	35	150
		% within Role of Respondent	6.7%	12.0%	23.3%	34.7%	23.3%	100.0%
	Paid worker	Count	5	23	22	31	18	99
		% within Role of Respondent	5.1%	23.2%	22.2%	31.3%	18.2%	100.0%
	Trustee	Count	15	26	23	20	6	90
		% within Role of Respondent	16.7%	28.9%	25.6%	22.2%	6.7%	100.0%
Total		Count	30	67	80	103	59	339
		% within Role of Respondent	8.8%	19.8%	23.6%	30.4%	17.4%	100.0%

Response by staff level:

staff quartiles * Funding 10 Crosstabulation

			Funding 10					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	11	21	24	20	3	79
		% within staff quartiles	13.9%	26.6%	30.4%	25.3%	3.8%	100.0%
	4-7	Count	11	18	19	25	25	98
		% within staff quartiles	11.2%	18.4%	19.4%	25.5%	25.5%	100.0%
	8-13	Count	5	18	12	31	20	86
		% within staff quartiles	5.8%	20.9%	14.0%	36.0%	23.3%	100.0%
	14-76	Count	4	12	22	28	14	80
		% within staff quartiles	5.0%	15.0%	27.5%	35.0%	17.5%	100.0%
Total	Count	31	69	77	104	62	343	
	% within staff quartiles	9.0%	20.1%	22.4%	30.3%	18.1%	100.0%	

Q11

Response by respondent role:

Role of Respondent * Funding 11 Crosstabulation

			Funding 11				Total
			Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	2	18	89	43	152
		% within Role of Respondent	1.3%	11.8%	58.6%	28.3%	100.0%
	Paid worker	Count	0	6	72	27	105
		% within Role of Respondent	.0%	5.7%	68.6%	25.7%	100.0%
	Trustee	Count	2	6	51	32	91
		% within Role of Respondent	2.2%	6.6%	56.0%	35.2%	100.0%
Total	Count	4	30	212	102	348	
	% within Role of Respondent	1.1%	8.6%	60.9%	29.3%	100.0%	

Response by (organisation) age:

age quartiles * Funding 11 Crosstabulation

			Funding 11				Total
			Disagree	Neither agree nor disagree	Agree	Strongly agree	
age quartiles	1-10	Count	1	7	66	28	102
		% within age quartiles	1.0%	6.9%	64.7%	27.5%	100.0%
	11-20	Count	1	8	52	33	94
		% within age quartiles	1.1%	8.5%	55.3%	35.1%	100.0%
	21-37	Count	1	8	50	21	80
		% within age quartiles	1.3%	10.0%	62.5%	26.3%	100.0%
	38-311	Count	1	8	47	23	79
		% within age quartiles	1.3%	10.1%	59.5%	29.1%	100.0%
	Total	Count	4	31	215	105	355
		% within age quartiles	1.1%	8.7%	60.6%	29.6%	100.0%

Q13

Response by volunteer level:

volunteer quartiles * Funding 13 Crosstabulation

			Funding 13					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
volunteer quartiles	0	Count	12	20	5	17	29	83
		% within volunteer quartiles	14.5%	24.1%	6.0%	20.5%	34.9%	100.0%
	1-10	Count	5	10	6	33	41	95
		% within volunteer quartiles	5.3%	10.5%	6.3%	34.7%	43.2%	100.0%
	11-50	Count	8	6	2	32	34	82
		% within volunteer quartiles	9.8%	7.3%	2.4%	39.0%	41.5%	100.0%
	51-20000	Count	3	8	7	28	39	85
		% within volunteer quartiles	3.5%	9.4%	8.2%	32.9%	45.9%	100.0%
	Total	Count	28	44	20	110	143	345
		% within volunteer quartiles	8.1%	12.8%	5.8%	31.9%	41.4%	100.0%

Q14

Response by income level:

Income quartiles * Funding 14 Crosstabulation

			Funding 14					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
income quartiles	150,000-200,000	Count	20	24	9	21	13	87
		% within income quartiles	23.0%	27.6%	10.3%	24.1%	14.9%	100.0%
	200,000-295,000	Count	14	26	19	25	9	93
		% within income quartiles	15.1%	28.0%	20.4%	26.9%	9.7%	100.0%
	295,000-440,000	Count	17	23	5	31	11	87
		% within income quartiles	19.5%	26.4%	5.7%	35.6%	12.6%	100.0%
	440,000-926,000	Count	23	25	13	25	6	92
		% within income quartiles	25.0%	27.2%	14.1%	27.2%	6.5%	100.0%
Total	Count	74	98	46	102	39	359	
	% within income quartiles	20.6%	27.3%	12.8%	28.4%	10.9%	100.0%	

Response by volunteer level:

volunteer quartiles * Funding 14 Crosstabulation

			Funding 14					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
volunteer quartiles	0	Count	13	19	9	27	12	80
		% within volunteer quartiles	16.3%	23.8%	11.3%	33.8%	15.0%	100.0%
	1-10	Count	18	27	7	27	10	89
		% within volunteer quartiles	20.2%	30.3%	7.9%	30.3%	11.2%	100.0%
	11-50	Count	15	24	10	20	6	75
		% within volunteer quartiles	20.0%	32.0%	13.3%	26.7%	8.0%	100.0%
	51-20000	Count	21	18	13	22	5	79
		% within volunteer quartiles	26.6%	22.8%	16.5%	27.8%	6.3%	100.0%
Total	Count	67	88	39	96	33	323	
	% within volunteer quartiles	20.7%	27.2%	12.1%	29.7%	10.2%	100.0%	

Q15

Response by (organisation) age:

age quartiles * Funding 15 Crosstabulation

			Funding 15					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
age quartiles	1-10	Count	4	19	14	53	7	97
		% within age quartiles	4.1%	19.6%	14.4%	54.6%	7.2%	100.0%
	11-20	Count	4	16	20	44	11	95
		% within age quartiles	4.2%	16.8%	21.1%	46.3%	11.6%	100.0%
	21-37	Count	1	14	18	43	5	81
		% within age quartiles	1.2%	17.3%	22.2%	53.1%	6.2%	100.0%
	38-311	Count	1	4	15	60	9	89
		% within age quartiles	1.1%	4.5%	16.9%	67.4%	10.1%	100.0%
Total	Count	10	53	67	200	32	362	
	% within age quartiles	2.8%	14.6%	18.5%	55.2%	8.8%	100.0%	

Q16

Response by respondent role:

Role of Respondent * Funding 16 Crosstabulation

			Funding 16					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	6	39	29	71	6	151
		% within Role of Respondent	4.0%	25.8%	19.2%	47.0%	4.0%	100.0%
	Paid worker	Count	8	28	19	39	5	99
		% within Role of Respondent	8.1%	28.3%	19.2%	39.4%	5.1%	100.0%
	Trustee	Count	4	15	23	39	0	81
		% within Role of Respondent	4.9%	18.5%	28.4%	48.1%	.0%	100.0%
Total	Count	18	82	71	149	11	331	
	% within Role of Respondent	5.4%	24.8%	21.5%	45.0%	3.3%	100.0%	

Q17

Response by respondent role:

Role of Respondent * Funding 17 Crosstabulation

			Funding 17					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	2	17	34	85	16	154
		% within Role of Respondent	1.3%	11.0%	22.1%	55.2%	10.4%	100.0%
	Paid worker	Count	1	11	33	49	8	102
		% within Role of Respondent	1.0%	10.8%	32.4%	48.0%	7.8%	100.0%
	Trustee	Count	1	12	32	40	5	90
		% within Role of Respondent	1.1%	13.3%	35.6%	44.4%	5.6%	100.0%
Total	Count	4	40	99	174	29	346	
	% within Role of Respondent	1.2%	11.6%	28.6%	50.3%	8.4%	100.0%	

Response by volunteer level:

volunteer quartiles * Funding 17 Crosstabulation

			Funding 17					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
volunteer quartiles	0	Count	0	6	16	50	9	81
		% within volunteer quartiles	.0%	7.4%	19.8%	61.7%	11.1%	100.0%
	1-10	Count	0	10	27	47	6	90
		% within volunteer quartiles	.0%	11.1%	30.0%	52.2%	6.7%	100.0%
	11-50	Count	2	8	28	31	8	77
		% within volunteer quartiles	2.6%	10.4%	36.4%	40.3%	10.4%	100.0%
	51-20000	Count	1	14	20	36	9	80
		% within volunteer quartiles	1.3%	17.5%	25.0%	45.0%	11.3%	100.0%
Total	Count	3	38	91	164	32	328	
	% within volunteer quartiles	.9%	11.6%	27.7%	50.0%	9.8%	100.0%	

Q20

Response by respondent role:

Role of Respondent * Core Costs 20 Crosstabulation

			Core Costs 20					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	9	23	22	64	41	159
		% within Role of Respondent	5.7%	14.5%	13.8%	40.3%	25.8%	100.0%
	Paid worker	Count	4	26	15	45	18	108
		% within Role of Respondent	3.7%	24.1%	13.9%	41.7%	16.7%	100.0%
	Trustee	Count	11	33	12	27	15	98
		% within Role of Respondent	11.2%	33.7%	12.2%	27.6%	15.3%	100.0%
Total	Count	24	82	49	136	74	365	
	% within Role of Respondent	6.6%	22.5%	13.4%	37.3%	20.3%	100.0%	

Response by staff level:

staff quartiles * Core Costs 20 Crosstabulation

			Core Costs 20					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	14	29	13	26	8	90
		% within staff quartiles	15.6%	32.2%	14.4%	28.9%	8.9%	100.0%
	4-7	Count	6	18	11	41	27	103
		% within staff quartiles	5.8%	17.5%	10.7%	39.8%	26.2%	100.0%
	8-13	Count	6	17	10	37	21	91
		% within staff quartiles	6.6%	18.7%	11.0%	40.7%	23.1%	100.0%
	14-76	Count	1	12	15	37	18	83
		% within staff quartiles	1.2%	14.5%	18.1%	44.6%	21.7%	100.0%
	Total	Count	27	76	49	141	74	367
		% within staff quartiles	7.4%	20.7%	13.4%	38.4%	20.2%	100.0%

Q21

Response by staff level:

staff quartiles * Core Costs 21 Crosstabulation

			Core Costs 21					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	2	15	20	45	11	93
		% within staff quartiles	2.2%	16.1%	21.5%	48.4%	11.8%	100.0%
	4-7	Count	2	25	25	31	19	102
		% within staff quartiles	2.0%	24.5%	24.5%	30.4%	18.6%	100.0%
	8-13	Count	1	13	16	44	16	90
		% within staff quartiles	1.1%	14.4%	17.8%	48.9%	17.8%	100.0%
	14-76	Count	0	7	23	35	19	84
		% within staff quartiles	.0%	8.3%	27.4%	41.7%	22.6%	100.0%
	Total	Count	5	60	84	155	65	369
		% within staff quartiles	1.4%	16.3%	22.8%	42.0%	17.6%	100.0%

Response by (organisation) age:

age quartiles * Core Costs 21 Crosstabulation

			Core Costs 21					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
age quartiles	1-10	Count	3	25	19	37	16	100
		% within age quartiles	3.0%	25.0%	19.0%	37.0%	16.0%	100.0%
	11-20	Count	1	16	24	36	20	97
		% within age quartiles	1.0%	16.5%	24.7%	37.1%	20.6%	100.0%
	21-37	Count	1	12	20	36	15	84
		% within age quartiles	1.2%	14.3%	23.8%	42.9%	17.9%	100.0%
	38-311	Count	0	8	22	48	13	91
		% within age quartiles	.0%	8.8%	24.2%	52.7%	14.3%	100.0%
Total	Count	5	61	85	157	64	372	
	% within age quartiles	1.3%	16.4%	22.8%	42.2%	17.2%	100.0%	

Response by respondent role:

Role of Respondent * Core Costs 21 Crosstabulation

			Core Costs 21					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	2	18	35	76	28	159
		% within Role of Respondent	1.3%	11.3%	22.0%	47.8%	17.6%	100.0%
	Paid worker	Count	2	20	25	43	18	108
		% within Role of Respondent	1.9%	18.5%	23.1%	39.8%	16.7%	100.0%
	Trustee	Count	1	21	24	38	15	99
		% within Role of Respondent	1.0%	21.2%	24.2%	38.4%	15.2%	100.0%
Total	Count	5	59	84	157	61	366	
	% within Role of Respondent	1.4%	16.1%	23.0%	42.9%	16.7%	100.0%	

Q22

Response by respondent role:

Role of Respondent * Core Costs 22 Crosstabulation

			Core Costs 22					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	9	23	28	73	23	156
		% within Role of Respondent	5.8%	14.7%	17.9%	46.8%	14.7%	100.0%
	Paid worker	Count	6	24	19	36	16	101
		% within Role of Respondent	5.9%	23.8%	18.8%	35.6%	15.8%	100.0%
	Trustee	Count	17	28	11	26	12	94
		% within Role of Respondent	18.1%	29.8%	11.7%	27.7%	12.8%	100.0%
Total	Count	32	75	58	135	51	351	
	% within Role of Respondent	9.1%	21.4%	16.5%	38.5%	14.5%	100.0%	

Response by staff level:

staff quartiles * Core Costs 22 Crosstabulation

			Core Costs 22					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	13	23	17	23	8	84
		% within staff quartiles	15.5%	27.4%	20.2%	27.4%	9.5%	100.0%
	4-7	Count	8	24	12	40	18	102
		% within staff quartiles	7.8%	23.5%	11.8%	39.2%	17.6%	100.0%
	8-13	Count	6	13	18	38	13	88
		% within staff quartiles	6.8%	14.8%	20.5%	43.2%	14.8%	100.0%
	14-76	Count	5	16	15	32	11	79
		% within staff quartiles	6.3%	20.3%	19.0%	40.5%	13.9%	100.0%
	Total	Count	32	76	62	133	50	353
		% within staff quartiles	9.1%	21.5%	17.6%	37.7%	14.2%	100.0%

Response by volunteer level:

volunteer quartiles * Core Costs 22 Crosstabulation

			Core Costs 22					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
volunteer quartiles	0	Count	12	20	17	19	8	76
		% within volunteer quartiles	15.8%	26.3%	22.4%	25.0%	10.5%	100.0%
	1-10	Count	6	19	13	40	15	93
		% within volunteer quartiles	6.5%	20.4%	14.0%	43.0%	16.1%	100.0%
	11-50	Count	2	19	13	28	15	77
		% within volunteer quartiles	2.6%	24.7%	16.9%	36.4%	19.5%	100.0%
	51-20000	Count	7	12	13	37	14	83
		% within volunteer quartiles	8.4%	14.5%	15.7%	44.6%	16.9%	100.0%
	Total	Count	27	70	56	124	52	329
		% within volunteer quartiles	8.2%	21.3%	17.0%	37.7%	15.8%	100.0%

Response by (organisation) age:

age quartiles * Core Costs 22 Crosstabulation

			Core Costs 22					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
age quartiles	1-10	Count	6	20	15	33	23	97
		% within age quartiles	6.2%	20.6%	15.5%	34.0%	23.7%	100.0%
	11-20	Count	10	14	15	45	12	96
		% within age quartiles	10.4%	14.6%	15.6%	46.9%	12.5%	100.0%
	21-37	Count	5	18	18	30	11	82
		% within age quartiles	6.1%	22.0%	22.0%	36.6%	13.4%	100.0%
	38-311	Count	12	23	15	27	4	81
		% within age quartiles	14.8%	28.4%	18.5%	33.3%	4.9%	100.0%
	Total	Count	33	75	63	135	50	356
		% within age quartiles	9.3%	21.1%	17.7%	37.9%	14.0%	100.0%

Q23

Response by (organisation) age:

age quartiles * Core Costs 23 Crosstabulation

			Core Costs 23					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
age quartiles	1-10	Count	27	33	10	24	6	100
		% within age quartiles	27.0%	33.0%	10.0%	24.0%	6.0%	100.0%
	11-20	Count	19	26	21	24	9	99
		% within age quartiles	19.2%	26.3%	21.2%	24.2%	9.1%	100.0%
	21-37	Count	14	22	8	27	11	82
		% within age quartiles	17.1%	26.8%	9.8%	32.9%	13.4%	100.0%
	38-311	Count	7	28	10	30	8	83
		% within age quartiles	8.4%	33.7%	12.0%	36.1%	9.6%	100.0%
	Total	Count	67	109	49	105	34	364
		% within age quartiles	18.4%	29.9%	13.5%	28.8%	9.3%	100.0%

Response by income level:

Income quartiles * Core Costs 23 Crosstabulation

			Core Costs 23					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
income quartiles	150,000-200,000	Count	20	29	13	25	7	94
		% within income quartiles	21.3%	30.9%	13.8%	26.6%	7.4%	100.0%
	200,000-295,000	Count	21	33	11	23	5	93
		% within income quartiles	22.6%	35.5%	11.8%	24.7%	5.4%	100.0%
	295,000-440,000	Count	15	21	13	31	10	90
		% within income quartiles	16.7%	23.3%	14.4%	34.4%	11.1%	100.0%
	440,000-926,000	Count	15	28	14	24	15	96
		% within income quartiles	15.6%	29.2%	14.6%	25.0%	15.6%	100.0%
	Total	Count	71	111	51	103	37	373
		% within income quartiles	19.0%	29.8%	13.7%	27.6%	9.9%	100.0%

Response by staff level:

staff quartiles * Core Costs 23 Crosstabulation

			Core Costs 23					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	27	28	5	13	10	83
		% within staff quartiles	32.5%	33.7%	6.0%	15.7%	12.0%	100.0%
	4-7	Count	20	41	12	26	6	105
		% within staff quartiles	19.0%	39.0%	11.4%	24.8%	5.7%	100.0%
	8-13	Count	15	25	12	29	10	91
		% within staff quartiles	16.5%	27.5%	13.2%	31.9%	11.0%	100.0%
	14-76	Count	4	17	18	34	9	82
		% within staff quartiles	4.9%	20.7%	22.0%	41.5%	11.0%	100.0%
	Total	Count	66	111	47	102	35	361
		% within staff quartiles	18.3%	30.7%	13.0%	28.3%	9.7%	100.0%

Q24

Response by income level:

Income quartiles * Core Costs 24 Crosstabulation

			Core Costs 24					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
income quartiles	150,000-200,000	Count	10	35	17	28	6	96
		% within income quartiles	10.4%	36.5%	17.7%	29.2%	6.3%	100.0%
	200,000-295,000	Count	11	34	21	27	2	95
		% within income quartiles	11.6%	35.8%	22.1%	28.4%	2.1%	100.0%
	295,000-440,000	Count	8	22	29	29	4	92
		% within income quartiles	8.7%	23.9%	31.5%	31.5%	4.3%	100.0%
	440,000-926,000	Count	9	21	25	34	7	96
		% within income quartiles	9.4%	21.9%	26.0%	35.4%	7.3%	100.0%
	Total	Count	38	112	92	118	19	379
		% within income quartiles	10.0%	29.6%	24.3%	31.1%	5.0%	100.0%

Response by staff level:

staff quartiles * Core Costs 24 Crosstabulation

			Core Costs 24					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	17	29	19	17	5	87
		% within staff quartiles	19.5%	33.3%	21.8%	19.5%	5.7%	100.0%
	4-7	Count	10	43	22	26	4	105
		% within staff quartiles	9.5%	41.0%	21.0%	24.8%	3.8%	100.0%
	8-13	Count	8	25	29	25	4	91
		% within staff quartiles	8.8%	27.5%	31.9%	27.5%	4.4%	100.0%
	14-76	Count	1	16	20	40	6	83
		% within staff quartiles	1.2%	19.3%	24.1%	48.2%	7.2%	100.0%
Total	Count	36	113	90	108	19	366	
	% within staff quartiles	9.8%	30.9%	24.6%	29.5%	5.2%	100.0%	

Q26

Response by staff level:

staff quartiles * Core Costs 26 Crosstabulation

			Core Costs 26					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	2	1	4	55	31	93
		% within staff quartiles	2.2%	1.1%	4.3%	59.1%	33.3%	100.0%
	4-7	Count	0	2	4	50	49	105
		% within staff quartiles	.0%	1.9%	3.8%	47.6%	46.7%	100.0%
	8-13	Count	3	0	2	34	52	91
		% within staff quartiles	3.3%	.0%	2.2%	37.4%	57.1%	100.0%
	14-76	Count	0	0	0	38	46	84
		% within staff quartiles	.0%	.0%	.0%	45.2%	54.8%	100.0%
Total	Count	5	3	10	177	178	373	
	% within staff quartiles	1.3%	.8%	2.7%	47.5%	47.7%	100.0%	

Response by respondent role:

Role of Respondent * Core Costs 26 Crosstabulation

			Core Costs 26					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	1	0	3	56	99	159
		% within Role of Respondent	.6%	.0%	1.9%	35.2%	62.3%	100.0%
	Paid worker	Count	1	0	2	57	50	110
		% within Role of Respondent	.9%	.0%	1.8%	51.8%	45.5%	100.0%
	Trustee	Count	3	3	4	63	28	101
		% within Role of Respondent	3.0%	3.0%	4.0%	62.4%	27.7%	100.0%
Total	Count	5	3	9	176	177	370	
	% within Role of Respondent	1.4%	.8%	2.4%	47.6%	47.8%	100.0%	

Q27

Response by respondent role:

Role of Respondent * Core Costs 27 Crosstabulation

			Core Costs 27					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	5	41	32	57	25	160
		% within Role of Respondent	3.1%	25.6%	20.0%	35.6%	15.6%	100.0%
	Paid worker	Count	5	31	25	30	18	109
		% within Role of Respondent	4.6%	28.4%	22.9%	27.5%	16.5%	100.0%
	Trustee	Count	11	24	25	30	10	100
		% within Role of Respondent	11.0%	24.0%	25.0%	30.0%	10.0%	100.0%
Total	Count	21	96	82	117	53	369	
	% within Role of Respondent	5.7%	26.0%	22.2%	31.7%	14.4%	100.0%	

Response by income level:

Income quartiles * Core Costs 27 Crosstabulation

			Core Costs 27					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
income quartiles	150,000-200,000	Count	9	27	21	26	16	99
		% within income quartiles	9.1%	27.3%	21.2%	26.3%	16.2%	100.0%
	200,000-295,000	Count	2	24	16	39	16	97
		% within income quartiles	2.1%	24.7%	16.5%	40.2%	16.5%	100.0%
	295,000-440,000	Count	4	21	22	34	12	93
		% within income quartiles	4.3%	22.6%	23.7%	36.6%	12.9%	100.0%
	440,000-926,000	Count	7	27	25	24	12	95
		% within income quartiles	7.4%	28.4%	26.3%	25.3%	12.6%	100.0%
Total	Count	22	99	84	123	56	384	
	% within income quartiles	5.7%	25.8%	21.9%	32.0%	14.6%	100.0%	

Q28

Response by respondent role:

Role of Respondent * Human Resources 28 Crosstabulation

			Human Resources 28					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	1	0	2	31	126	160
		% within Role of Respondent	.6%	.0%	1.3%	19.4%	78.8%	100.0%
	Paid worker	Count	0	1	4	32	72	109
		% within Role of Respondent	.0%	.9%	3.7%	29.4%	66.1%	100.0%
	Trustee	Count	1	1	6	37	44	89
		% within Role of Respondent	1.1%	1.1%	6.7%	41.6%	49.4%	100.0%
Total	Count	2	2	12	100	242	358	
	% within Role of Respondent	.6%	.6%	3.4%	27.9%	67.6%	100.0%	

Response by staff level:

staff quartiles * Human Resources 28 Crosstabulation

			Human Resources 28					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	1	0	6	29	41	77
		% within staff quartiles	1.3%	.0%	7.8%	37.7%	53.2%	100.0%
	4-7	Count	0	1	5	31	68	105
		% within staff quartiles	.0%	1.0%	4.8%	29.5%	64.8%	100.0%
	8-13	Count	0	1	1	19	70	91
		% within staff quartiles	.0%	1.1%	1.1%	20.9%	76.9%	100.0%
	14-76	Count	0	0	1	21	63	85
		% within staff quartiles	.0%	.0%	1.2%	24.7%	74.1%	100.0%
	Total	Count	1	2	13	100	242	358
		% within staff quartiles	.3%	.6%	3.6%	27.9%	67.6%	100.0%

Response by (organisation) age:

age quartiles * Human Resources 28 Crosstabulation

			Human Resources 28					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
age quartiles	1-10	Count	0	0	5	24	67	96
		% within age quartiles	.0%	.0%	5.2%	25.0%	69.8%	100.0%
	11-20	Count	1	2	3	20	72	98
		% within age quartiles	1.0%	2.0%	3.1%	20.4%	73.5%	100.0%
	21-37	Count	0	0	0	25	57	82
		% within age quartiles	.0%	.0%	.0%	30.5%	69.5%	100.0%
	38-311	Count	1	0	5	35	46	87
		% within age quartiles	1.1%	.0%	5.7%	40.2%	52.9%	100.0%
	Total	Count	2	2	13	104	242	363
		% within age quartiles	.6%	.6%	3.6%	28.7%	66.7%	100.0%

Q29

Response by staff level:

staff quartiles * Human Resources 29 Crosstabulation

			Human Resources 29					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	8	12	20	15	8	63
		% within staff quartiles	12.7%	19.0%	31.7%	23.8%	12.7%	100.0%
	4-7	Count	10	20	20	24	22	96
		% within staff quartiles	10.4%	20.8%	20.8%	25.0%	22.9%	100.0%
	8-13	Count	3	29	15	24	14	85
		% within staff quartiles	3.5%	34.1%	17.6%	28.2%	16.5%	100.0%
	14-76	Count	1	17	18	20	24	80
		% within staff quartiles	1.3%	21.3%	22.5%	25.0%	30.0%	100.0%
	Total	Count	22	78	73	83	68	324
		% within staff quartiles	6.8%	24.1%	22.5%	25.6%	21.0%	100.0%

Response by (organisation) age:

age quartiles * Human Resources 29 Crosstabulation

			Human Resources 29					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
age quartiles	1-10	Count	3	24	19	27	18	91
		% within age quartiles	3.3%	26.4%	20.9%	29.7%	19.8%	100.0%
	11-20	Count	7	18	18	23	25	91
		% within age quartiles	7.7%	19.8%	19.8%	25.3%	27.5%	100.0%
	21-37	Count	4	16	18	25	11	74
		% within age quartiles	5.4%	21.6%	24.3%	33.8%	14.9%	100.0%
	38-311	Count	8	23	20	10	12	73
		% within age quartiles	11.0%	31.5%	27.4%	13.7%	16.4%	100.0%
Total	Count	22	81	75	85	66	329	
	% within age quartiles	6.7%	24.6%	22.8%	25.8%	20.1%	100.0%	

Q30

Response by respondent role:

Role of Respondent * Human Resources 30 Crosstabulation

			Human Resources 30					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	4	20	35	72	28	159
		% within Role of Respondent	2.5%	12.6%	22.0%	45.3%	17.6%	100.0%
	Paid worker	Count	2	10	21	65	10	108
		% within Role of Respondent	1.9%	9.3%	19.4%	60.2%	9.3%	100.0%
	Trustee	Count	2	8	18	48	9	85
		% within Role of Respondent	2.4%	9.4%	21.2%	56.5%	10.6%	100.0%
Total	Count	8	38	74	185	47	352	
	% within Role of Respondent	2.3%	10.8%	21.0%	52.6%	13.4%	100.0%	

Response by staff level:

staff quartiles * Human Resources 30 Crosstabulation

			Human Resources 30					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	4	7	23	33	6	73
		% within staff quartiles	5.5%	9.6%	31.5%	45.2%	8.2%	100.0%
	4-7	Count	4	15	17	53	14	103
		% within staff quartiles	3.9%	14.6%	16.5%	51.5%	13.6%	100.0%
	8-13	Count	0	10	16	56	9	91
		% within staff quartiles	.0%	11.0%	17.6%	61.5%	9.9%	100.0%
	14-76	Count	1	6	19	40	19	85
		% within staff quartiles	1.2%	7.1%	22.4%	47.1%	22.4%	100.0%
Total	Count	9	38	75	182	48	352	
	% within staff quartiles	2.6%	10.8%	21.3%	51.7%	13.6%	100.0%	

Q31

Response by respondent role:

Role of Respondent * Human Resources 31 Crosstabulation

			Human Resources 31					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	0	18	34	76	26	154
		% within Role of Respondent	.0%	11.7%	22.1%	49.4%	16.9%	100.0%
	Paid worker	Count	1	17	19	59	8	104
		% within Role of Respondent	1.0%	16.3%	18.3%	56.7%	7.7%	100.0%
	Trustee	Count	1	13	23	37	6	80
		% within Role of Respondent	1.3%	16.3%	28.8%	46.3%	7.5%	100.0%
Total		Count	2	48	76	172	40	338
		% within Role of Respondent	.6%	14.2%	22.5%	50.9%	11.8%	100.0%

Response by staff level:

staff quartiles * Human Resources 31 Crosstabulation

			Human Resources 31					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	1	7	22	32	3	65
		% within staff quartiles	1.5%	10.8%	33.8%	49.2%	4.6%	100.0%
	4-7	Count	1	20	21	51	7	100
		% within staff quartiles	1.0%	20.0%	21.0%	51.0%	7.0%	100.0%
	8-13	Count	0	9	19	49	11	88
		% within staff quartiles	.0%	10.2%	21.6%	55.7%	12.5%	100.0%
	14-76	Count	1	12	16	38	18	85
		% within staff quartiles	1.2%	14.1%	18.8%	44.7%	21.2%	100.0%
Total	Count	3	48	78	170	39	338	
	% within staff quartiles	.9%	14.2%	23.1%	50.3%	11.5%	100.0%	

Q32

Response by respondent role:

Role of Respondent * Human Resources 32 Crosstabulation

			Human Resources 32				Total
			Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	1	2	66	90	159
		% within Role of Respondent	.6%	1.3%	41.5%	56.6%	100.0%
	Paid worker	Count	0	3	56	50	109
		% within Role of Respondent	.0%	2.8%	51.4%	45.9%	100.0%
	Trustee	Count	0	3	53	33	89
		% within Role of Respondent	.0%	3.4%	59.6%	37.1%	100.0%
Total		Count	1	8	175	173	357
		% within Role of Respondent	.3%	2.2%	49.0%	48.5%	100.0%

Response by (organisation) age:

age quartiles * Human Resources 32 Crosstabulation

			Human Resources 32				Total
			Disagree	Neither agree nor disagree	Agree	Strongly agree	
age quartiles	1-10	Count	0	3	44	49	96
		% within age quartiles	.0%	3.1%	45.8%	51.0%	100.0%
	11-20	Count	0	2	39	57	98
		% within age quartiles	.0%	2.0%	39.8%	58.2%	100.0%
	21-37	Count	2	0	39	40	81
		% within age quartiles	2.5%	.0%	48.1%	49.4%	100.0%
	38-311	Count	0	2	53	31	86
		% within age quartiles	.0%	2.3%	61.6%	36.0%	100.0%
Total	Count	2	7	175	177	361	
	% within age quartiles	.6%	1.9%	48.5%	49.0%	100.0%	

Q35

Response by respondent role:

Role of Respondent * Human Resources 35 Crosstabulation

			Human Resources 35					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	8	21	25	46	44	144
		% within Role of Respondent	5.6%	14.6%	17.4%	31.9%	30.6%	100.0%
	Paid worker	Count	10	9	11	30	38	98
		% within Role of Respondent	10.2%	9.2%	11.2%	30.6%	38.8%	100.0%
	Trustee	Count	2	9	6	33	45	95
		% within Role of Respondent	2.1%	9.5%	6.3%	34.7%	47.4%	100.0%
Total	Count	20	39	42	109	127	337	
	% within Role of Respondent	5.9%	11.6%	12.5%	32.3%	37.7%	100.0%	

Response by volunteer level:

volunteer quartiles * Human Resources 35 Crosstabulation

			Human Resources 35					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
volunteer quartiles	0	Count	14	19	8	13	2	56
		% within volunteer quartiles	25.0%	33.9%	14.3%	23.2%	3.6%	100.0%
	1-10	Count	4	13	22	35	20	94
		% within volunteer quartiles	4.3%	13.8%	23.4%	37.2%	21.3%	100.0%
	11-50	Count	2	5	6	29	39	81
		% within volunteer quartiles	2.5%	6.2%	7.4%	35.8%	48.1%	100.0%
	51-20000	Count	0	0	0	17	67	84
		% within volunteer quartiles	.0%	.0%	.0%	20.2%	79.8%	100.0%
Total	Count	20	37	36	94	128	315	
	% within volunteer quartiles	6.3%	11.7%	11.4%	29.8%	40.6%	100.0%	

Response by staff level:

staff quartiles * Human Resources 35 Crosstabulation

			Human Resources 35					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	2	3	8	29	40	82
		% within staff quartiles	2.4%	3.7%	9.8%	35.4%	48.8%	100.0%
	4-7	Count	6	12	9	33	39	99
		% within staff quartiles	6.1%	12.1%	9.1%	33.3%	39.4%	100.0%
	8-13	Count	4	15	9	25	30	83
		% within staff quartiles	4.8%	18.1%	10.8%	30.1%	36.1%	100.0%
	14-76	Count	5	8	15	21	25	74
		% within staff quartiles	6.8%	10.8%	20.3%	28.4%	33.8%	100.0%
	Total	Count	17	38	41	108	134	338
		% within staff quartiles	5.0%	11.2%	12.1%	32.0%	39.6%	100.0%

Response by income level:

Income quartiles * Human Resources 35 Crosstabulation

			Human Resources 35					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
income quartiles	150,000-200,000	Count	3	4	11	26	47	91
		% within income quartiles	3.3%	4.4%	12.1%	28.6%	51.6%	100.0%
	200,000-295,000	Count	4	13	7	31	33	88
		% within income quartiles	4.5%	14.8%	8.0%	35.2%	37.5%	100.0%
	295,000-440,000	Count	5	12	8	33	24	82
		% within income quartiles	6.1%	14.6%	9.8%	40.2%	29.3%	100.0%
	440,000-926,000	Count	8	9	16	21	30	84
		% within income quartiles	9.5%	10.7%	19.0%	25.0%	35.7%	100.0%
	Total	Count	20	38	42	111	134	345
		% within income quartiles	5.8%	11.0%	12.2%	32.2%	38.8%	100.0%

Response by (organisation) age:

age quartiles * Human Resources 35 Crosstabulation

			Human Resources 35					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
age quartiles	1-10	Count	6	17	8	30	26	87
		% within age quartiles	6.9%	19.5%	9.2%	34.5%	29.9%	100.0%
	11-20	Count	7	9	15	30	33	94
		% within age quartiles	7.4%	9.6%	16.0%	31.9%	35.1%	100.0%
	21-37	Count	3	4	12	20	39	78
		% within age quartiles	3.8%	5.1%	15.4%	25.6%	50.0%	100.0%
	38-311	Count	4	9	8	29	33	83
		% within age quartiles	4.8%	10.8%	9.6%	34.9%	39.8%	100.0%
	Total	Count	20	39	43	109	131	342
		% within age quartiles	5.8%	11.4%	12.6%	31.9%	38.3%	100.0%

Q36

Response by volunteer level:

volunteer quartiles * Human Resources 36 Crosstabulation

			Human Resources 36					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
volunteer quartiles	0	Count	2	7	19	6	0	34
		% within volunteer quartiles	5.9%	20.6%	55.9%	17.6%	.0%	100.0%
	1-10	Count	0	17	29	36	6	88
		% within volunteer quartiles	.0%	19.3%	33.0%	40.9%	6.8%	100.0%
	11-50	Count	6	10	9	45	11	81
		% within volunteer quartiles	7.4%	12.3%	11.1%	55.6%	13.6%	100.0%
	51-20000	Count	1	12	18	29	23	83
		% within volunteer quartiles	1.2%	14.5%	21.7%	34.9%	27.7%	100.0%
Total		Count	9	46	75	116	40	286
		% within volunteer quartiles	3.1%	16.1%	26.2%	40.6%	14.0%	100.0%

Q37

Response by volunteer level:

volunteer quartiles * Human Resources 37 Crosstabulation

			Human Resources 37					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
volunteer quartiles	0	Count	1	8	17	6	1	33
		% within volunteer quartiles	3.0%	24.2%	51.5%	18.2%	3.0%	100.0%
	1-10	Count	1	8	22	53	8	92
		% within volunteer quartiles	1.1%	8.7%	23.9%	57.6%	8.7%	100.0%
	11-50	Count	4	11	14	39	13	81
		% within volunteer quartiles	4.9%	13.6%	17.3%	48.1%	16.0%	100.0%
	51-20000	Count	1	11	13	39	19	83
		% within volunteer quartiles	1.2%	13.3%	15.7%	47.0%	22.9%	100.0%
Total		Count	7	38	66	137	41	289
		% within volunteer quartiles	2.4%	13.1%	22.8%	47.4%	14.2%	100.0%

Q38

Response by income level:

Income quartiles * Governance 38 Crosstabulation

			Governance 38					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
income quartiles	150,000-200,000	Count	0	1	6	38	54	99
		% within income quartiles	.0%	1.0%	6.1%	38.4%	54.5%	100.0%
	200,000-295,000	Count	0	3	12	44	40	99
		% within income quartiles	.0%	3.0%	12.1%	44.4%	40.4%	100.0%
	295,000-440,000	Count	1	1	12	46	33	93
		% within income quartiles	1.1%	1.1%	12.9%	49.5%	35.5%	100.0%
	440,000-926,000	Count	0	5	7	46	39	97
		% within income quartiles	.0%	5.2%	7.2%	47.4%	40.2%	100.0%
Total		Count	1	10	37	174	166	388
		% within income quartiles	.3%	2.6%	9.5%	44.8%	42.8%	100.0%

Q39

Response by staff level:

staff quartiles * Governance 39 Crosstabulation

			Governance 39					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	10	30	21	21	9	91
		% within staff quartiles	11.0%	33.0%	23.1%	23.1%	9.9%	100.0%
	4-7	Count	5	29	28	22	20	104
		% within staff quartiles	4.8%	27.9%	26.9%	21.2%	19.2%	100.0%
	8-13	Count	4	14	29	30	13	90
		% within staff quartiles	4.4%	15.6%	32.2%	33.3%	14.4%	100.0%
	14-76	Count	2	16	15	35	17	85
		% within staff quartiles	2.4%	18.8%	17.6%	41.2%	20.0%	100.0%
	Total	Count	21	89	93	108	59	370
		% within staff quartiles	5.7%	24.1%	25.1%	29.2%	15.9%	100.0%

Q40

Response by respondent role:

Role of Respondent * Governance 40 Crosstabulation

			Governance 40					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	1	50	62	42	4	159
		% within Role of Respondent	.6%	31.4%	39.0%	26.4%	2.5%	100.0%
	Paid worker	Count	4	29	46	23	4	106
		% within Role of Respondent	3.8%	27.4%	43.4%	21.7%	3.8%	100.0%
	Trustee	Count	4	34	33	21	2	94
		% within Role of Respondent	4.3%	36.2%	35.1%	22.3%	2.1%	100.0%
Total	Count	9	113	141	86	10	359	
	% within Role of Respondent	2.5%	31.5%	39.3%	24.0%	2.8%	100.0%	

Q42

Response by respondent role:

Role of Respondent * Governance 42 Crosstabulation

			Governance 42					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	5	36	20	82	17	160
		% within Role of Respondent	3.1%	22.5%	12.5%	51.3%	10.6%	100.0%
	Paid worker	Count	0	29	17	45	19	110
		% within Role of Respondent	.0%	26.4%	15.5%	40.9%	17.3%	100.0%
	Trustee	Count	3	17	12	58	13	103
		% within Role of Respondent	2.9%	16.5%	11.7%	56.3%	12.6%	100.0%
Total	Count	8	82	49	185	49	373	
	% within Role of Respondent	2.1%	22.0%	13.1%	49.6%	13.1%	100.0%	

Q43

Response by respondent role:

Role of Respondent * Governance 43 Crosstabulation

			Governance 43					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	2	19	26	86	27	160
		% within Role of Respondent	1.3%	11.9%	16.3%	53.8%	16.9%	100.0%
	Paid worker	Count	1	12	23	59	14	109
		% within Role of Respondent	.9%	11.0%	21.1%	54.1%	12.8%	100.0%
	Trustee	Count	0	4	11	59	18	92
		% within Role of Respondent	.0%	4.3%	12.0%	64.1%	19.6%	100.0%
Total		Count	3	35	60	204	59	361
		% within Role of Respondent	.8%	9.7%	16.6%	56.5%	16.3%	100.0%

Response by staff level:

staff quartiles * Governance 43 Crosstabulation

			Governance 43					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	0	3	6	55	17	81
		% within staff quartiles	.0%	3.7%	7.4%	67.9%	21.0%	100.0%
	4-7	Count	1	14	16	55	19	105
		% within staff quartiles	1.0%	13.3%	15.2%	52.4%	18.1%	100.0%
	8-13	Count	2	11	16	48	14	91
		% within staff quartiles	2.2%	12.1%	17.6%	52.7%	15.4%	100.0%
	14-76	Count	0	10	21	45	9	85
		% within staff quartiles	.0%	11.8%	24.7%	52.9%	10.6%	100.0%
Total	Count	3	38	59	203	59	362	
	% within staff quartiles	.8%	10.5%	16.3%	56.1%	16.3%	100.0%	

Response by income level:

Income quartiles * Governance 43 Crosstabulation

			Governance 43					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
income quartiles	150,000-200,000	Count	0	9	12	49	21	91
		% within income quartiles	.0%	9.9%	13.2%	53.8%	23.1%	100.0%
	200,000-295,000	Count	2	9	16	50	18	95
		% within income quartiles	2.1%	9.5%	16.8%	52.6%	18.9%	100.0%
	295,000-440,000	Count	1	8	14	52	16	91
		% within income quartiles	1.1%	8.8%	15.4%	57.1%	17.6%	100.0%
	440,000-926,000	Count	0	12	20	55	7	94
		% within income quartiles	.0%	12.8%	21.3%	58.5%	7.4%	100.0%
Total	Count	3	38	62	206	62	371	
	% within income quartiles	.8%	10.2%	16.7%	55.5%	16.7%	100.0%	

Q44

Response by respondent role:

Role of Respondent * Governance 44 Crosstabulation

			Governance 44					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	28	79	29	19	5	160
		% within Role of Respondent	17.5%	49.4%	18.1%	11.9%	3.1%	100.0%
	Paid worker	Count	16	48	23	17	6	110
		% within Role of Respondent	14.5%	43.6%	20.9%	15.5%	5.5%	100.0%
	Trustee	Count	25	54	14	8	0	101
		% within Role of Respondent	24.8%	53.5%	13.9%	7.9%	.0%	100.0%
Total	Count	69	181	66	44	11	371	
	% within Role of Respondent	18.6%	48.8%	17.8%	11.9%	3.0%	100.0%	

Response by staff level:

staff quartiles * Governance 44 Crosstabulation

			Governance 44					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	21	55	7	9	1	93
		% within staff quartiles	22.6%	59.1%	7.5%	9.7%	1.1%	100.0%
	4-7	Count	19	48	16	16	6	105
		% within staff quartiles	18.1%	45.7%	15.2%	15.2%	5.7%	100.0%
	8-13	Count	18	41	18	12	2	91
		% within staff quartiles	19.8%	45.1%	19.8%	13.2%	2.2%	100.0%
	14-76	Count	11	38	24	8	3	84
		% within staff quartiles	13.1%	45.2%	28.6%	9.5%	3.6%	100.0%
Total	Count	69	182	65	45	12	373	
	% within staff quartiles	18.5%	48.8%	17.4%	12.1%	3.2%	100.0%	

Response by volunteer level:

volunteer quartiles * Governance 44 Crosstabulation

			Governance 44					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
volunteer quartiles	0	Count	19	34	17	13	4	87
		% within volunteer quartiles	21.8%	39.1%	19.5%	14.9%	4.6%	100.0%
	1-10	Count	13	44	20	13	5	95
		% within volunteer quartiles	13.7%	46.3%	21.1%	13.7%	5.3%	100.0%
	11-50	Count	14	39	19	9	1	82
		% within volunteer quartiles	17.1%	47.6%	23.2%	11.0%	1.2%	100.0%
	51-20000	Count	19	52	4	8	2	85
		% within volunteer quartiles	22.4%	61.2%	4.7%	9.4%	2.4%	100.0%
Total	Count	65	169	60	43	12	349	
	% within volunteer quartiles	18.6%	48.4%	17.2%	12.3%	3.4%	100.0%	

Response by (organisation) age:

age quartiles * Governance 44 Crosstabulation

			Governance 44					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
age quartiles	1-10	Count	17	44	19	18	3	101
		% within age quartiles	16.8%	43.6%	18.8%	17.8%	3.0%	100.0%
	11-20	Count	20	47	13	15	5	100
		% within age quartiles	20.0%	47.0%	13.0%	15.0%	5.0%	100.0%
	21-37	Count	16	38	18	11	1	84
		% within age quartiles	19.0%	45.2%	21.4%	13.1%	1.2%	100.0%
	38-311	Count	18	53	17	2	2	92
		% within age quartiles	19.6%	57.6%	18.5%	2.2%	2.2%	100.0%
Total	Count	71	182	67	46	11	377	
	% within age quartiles	18.8%	48.3%	17.8%	12.2%	2.9%	100.0%	

Q45

Response by staff level:

staff quartiles * Partnership Working 45 Crosstabulation

			Partnership Working 45					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	10	14	21	27	9	81
		% within staff quartiles	12.3%	17.3%	25.9%	33.3%	11.1%	100.0%
	4-7	Count	6	15	26	36	14	97
		% within staff quartiles	6.2%	15.5%	26.8%	37.1%	14.4%	100.0%
	8-13	Count	4	10	21	39	15	89
		% within staff quartiles	4.5%	11.2%	23.6%	43.8%	16.9%	100.0%
	14-76	Count	2	13	19	34	15	83
		% within staff quartiles	2.4%	15.7%	22.9%	41.0%	18.1%	100.0%
Total	Count	22	52	87	136	53	350	
	% within staff quartiles	6.3%	14.9%	24.9%	38.9%	15.1%	100.0%	

Response by (organisation) age:

age quartiles * Partnership Working 45 Crosstabulation

			Partnership Working 45					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
age quartiles	1-10	Count	6	11	22	34	25	98
		% within age quartiles	6.1%	11.2%	22.4%	34.7%	25.5%	100.0%
	11-20	Count	4	13	24	40	16	97
		% within age quartiles	4.1%	13.4%	24.7%	41.2%	16.5%	100.0%
	21-37	Count	2	14	22	33	8	79
		% within age quartiles	2.5%	17.7%	27.8%	41.8%	10.1%	100.0%
	38-311	Count	9	15	18	32	6	80
		% within age quartiles	11.3%	18.8%	22.5%	40.0%	7.5%	100.0%
Total	Count	21	53	86	139	55	354	
	% within age quartiles	5.9%	15.0%	24.3%	39.3%	15.5%	100.0%	

Q46

Response by respondent role:

Role of Respondent * Partnership Working 46 Crosstabulation

			Partnership Working 46					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	6	19	32	65	36	158
		% within Role of Respondent	3.8%	12.0%	20.3%	41.1%	22.8%	100.0%
	Paid worker	Count	3	20	37	27	20	107
		% within Role of Respondent	2.8%	18.7%	34.6%	25.2%	18.7%	100.0%
	Trustee	Count	9	12	23	42	7	93
		% within Role of Respondent	9.7%	12.9%	24.7%	45.2%	7.5%	100.0%
Total	Count	18	51	92	134	63	358	
	% within Role of Respondent	5.0%	14.2%	25.7%	37.4%	17.6%	100.0%	

Response by staff level:

staff quartiles * Partnership Working 46 Crosstabulation

			Partnership Working 46					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
staff quartiles	0-3	Count	6	15	28	32	3	84
		% within staff quartiles	7.1%	17.9%	33.3%	38.1%	3.6%	100.0%
	4-7	Count	5	15	23	37	23	103
		% within staff quartiles	4.9%	14.6%	22.3%	35.9%	22.3%	100.0%
	8-13	Count	6	11	26	28	19	90
		% within staff quartiles	6.7%	12.2%	28.9%	31.1%	21.1%	100.0%
	14-76	Count	1	12	19	32	19	83
		% within staff quartiles	1.2%	14.5%	22.9%	38.6%	22.9%	100.0%
Total	Count	18	53	96	129	64	360	
	% within staff quartiles	5.0%	14.7%	26.7%	35.8%	17.8%	100.0%	

Q47

Response by respondent role:

Role of Respondent * Partnership Working 47 Crosstabulation

			Partnership Working 47					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	2	22	47	53	27	151
		% within Role of Respondent	1.3%	14.6%	31.1%	35.1%	17.9%	100.0%
	Paid worker	Count	2	15	45	32	6	100
		% within Role of Respondent	2.0%	15.0%	45.0%	32.0%	6.0%	100.0%
	Trustee	Count	3	6	41	30	8	88
		% within Role of Respondent	3.4%	6.8%	46.6%	34.1%	9.1%	100.0%
Total	Count	7	43	133	115	41	339	
	% within Role of Respondent	2.1%	12.7%	39.2%	33.9%	12.1%	100.0%	

Response by income level:

Income quartiles * Partnership Working 47 Crosstabulation

			Partnership Working 47					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
income quartiles	150,000-200,000	Count	2	8	41	27	14	92
		% within income quartiles	2.2%	8.7%	44.6%	29.3%	15.2%	100.0%
	200,000-295,000	Count	2	14	30	35	8	89
		% within income quartiles	2.2%	15.7%	33.7%	39.3%	9.0%	100.0%
	295,000-440,000	Count	1	12	26	28	16	83
		% within income quartiles	1.2%	14.5%	31.3%	33.7%	19.3%	100.0%
	440,000-926,000	Count	2	11	42	26	6	87
		% within income quartiles	2.3%	12.6%	48.3%	29.9%	6.9%	100.0%
Total	Count	7	45	139	116	44	351	
	% within income quartiles	2.0%	12.8%	39.6%	33.0%	12.5%	100.0%	

Q48

Response by respondent role:

Role of Respondent * Partnership Working 48 Crosstabulation

			Partnership Working 48					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	3	23	48	58	26	158
		% within Role of Respondent	1.9%	14.6%	30.4%	36.7%	16.5%	100.0%
	Paid worker	Count	4	29	23	43	6	105
		% within Role of Respondent	3.8%	27.6%	21.9%	41.0%	5.7%	100.0%
	Trustee	Count	6	21	36	31	3	97
		% within Role of Respondent	6.2%	21.6%	37.1%	32.0%	3.1%	100.0%
Total	Count	13	73	107	132	35	360	
	% within Role of Respondent	3.6%	20.3%	29.7%	36.7%	9.7%	100.0%	

Q49

Response by respondent role:

Role of Respondent * Partnership Working 49 Crosstabulation

			Partnership Working 49					Total
			Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	
Role of Respondent	CEO	Count	7	18	36	60	31	152
		% within Role of Respondent	4.6%	11.8%	23.7%	39.5%	20.4%	100.0%
	Paid worker	Count	1	16	37	36	11	101
		% within Role of Respondent	1.0%	15.8%	36.6%	35.6%	10.9%	100.0%
	Trustee	Count	2	7	38	32	6	85
		% within Role of Respondent	2.4%	8.2%	44.7%	37.6%	7.1%	100.0%
Total	Count	10	41	111	128	48	338	
	% within Role of Respondent	3.0%	12.1%	32.8%	37.9%	14.2%	100.0%	