BAYES BUSINESS SCHOOL
CITY, UNIVERSITY OF LONDON

Challenges in Contemporary Governance

Looking through a shared lens

Explorations: Relationships between large and small nonprofits

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Centre for Charity Effectiveness

CENTRE FOR CHARITY EFFECTIVENESS

Inspiring transformation within the nonprofit sector.

The vision of the Centre for Charity Effectiveness (CCE) is that of a nonprofit sector leading positive social change. We support the sector to achieve this through the services that we deliver: education, knowledge sharing, research and independent consultancy advice. As one of Bayes Business School's centres of excellence, impactful knowledge exchange has been at the heart of what we do since our inception over 20 years ago.

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Introduction

Why did the Centre for Charity Effectiveness (CCE) decide to launch the *Challenges in Contemporary Governance* pilot series? Based on our wide experience of working with charity and nonprofit boards, we believed that creating a space for Chairs and Chief Executives to work together and with other pairs, in a safe, creative and discrete environment, could be invaluable in terms of creating knowledge; and this has certainly proved to be the case. We aimed to stimulate explorations of how Boards are addressing and responding to challenges in contemporary governance, with a particular focus on the big questions where challenge or wise counsel from experienced leaders would stimulate fresh or clearer thinking. What distinguished these explorations from other discussions about governance is that they were aimed specifically at the Chair/CE as a pair.

The following is a summary of one of the five explorations that made up the *Challenges in Contemporary Governance* series. CCE is publishing summaries of each of these explorations as standalone short reports, together with a sixth report detailing further themes and insights gathered from the series as whole. These will be made available on the Centre for Charity Effectiveness website from November 2020, culminating in the publication of CCE's full report on the series as a whole in early December 2020.

The full '*Looking through a lens*' report includes all six exploration summaries together with an introduction by the series hosts, Professor Lynne Berry CBE and Alex Skailes, Director of the Centre for Charity Effectiveness, and more information about additional related resources on the themes discussed.

STRUCTURE

In this exploration, the discussion topic as set out by the presenter has been summarised as **The Challenge;** a summary of the discussion has been provided under **Chair/CE insights and ideas** using both direct quotes from participants and notes made at the time; **Emerging questions** have been cited; and **Connections with other initiatives and resources** made.

Throughout the discussion series, topics were set either by the Chair of the series, Professor Lynne Berry CBE, or by Chair/CE members. Participants were provided with an advance outline of the topic as context for discussion, though discussions themselves tended often to range in directions that most interested participants on the day. Inevitably the discussions at each session often raised more questions than they answered, but this in itself is stimulating and thought provoking, and will lead to more opportunities for learning. The Chatham House rule[1] applied during all the discussions; this exploration has been written up so as to preserve anonymity whilst still sharing the insights from these sector thought leaders.

1. When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

Explorations: **Relationships between large and small nonprofits**

THE CHALLENGE

This inaugural discussion considered a topic set by the series Chair, Professor Lynne Berry. The challenge was to explore whether large and formally governed organisations can collaborate effectively and respectfully with much more informal grass-roots organisations and movements to create common purpose and to drive shared objectives. Lynne suggested that there is a great deal of discussion about whether large organisations are seen by small ones as friend or foe and at the same time, large ones are urged to do more to support smaller ones.

Building on this, there are some questions:

1. To what extent is accountability increased or diluted by this approach; and to whom?
2. Are there governance issues that help or hinder these collaborations?
3. To the extent that trustees and CEs must to do things in the interests of their own beneficiaries, is this approach problematic?

Lynne felt that this discussion could lead in many directions but that it might stimulate a debate about whether all charities, whatever their purpose, are responsible for trying to ensure social justice and fundamental social change.

CHAIR/CE INSIGHTS AND IDEAS

The discussion ranged across a broad spectrum:

The need to orient around a strong shared sense of purpose

- Use shared purpose as a means of determining who to work with
- If we're not working together – how can we be effective in achieving your Mission?

Funders have a big responsibility

- Often we are pushed into partnership
- Some are a good idea – but we have to speak out against it as a blunt instrument
- Internationally we have the localism agenda – we can't be everywhere so we have local partners; but the funding model and the narrative don't match

A joint leadership endeavour can be achieved through networks

- There are really good examples with user-led organisations – these networks can be really invigorating and creative
- We can't just 'sweep in'
- You have to cede power – put power on the table and say 'where do we want the power to lie'

Behaviour change will be needed to make things work

- Smaller charities expect us to behave in a particular way
- We can be seen (and behave!) as paternal
- 'Altruistic sharing' and those behaviours don't come for free
- We have to be conscious of this and model a different way: share your information and resource; give up things; have things go as you might not want

There are good examples of 'true' collaboration

- It works because it's face to face with colleagues
- Money that fosters not forces
- Allows competition as well as collaboration
- You need structures that support – a partnership agreement; shared governance metrics; a shared theory of change

Federated charities can be good examples of both/and

- You learn about vulnerability (especially the decimation caused by competitive tendering)
- Federation members keep us in shape through challenge
- The relationship helps with relevance locally
- The structure helps build resilience and has the potential to foster innovation

We have a responsibility around competitive tendering

- Especially the decimation caused by competitive tendering
- If you have a voice and power, you have a choice
- If it's destructive, we don't have to tolerate it eg. tampon tax

EMERGING QUESTIONS

Generative discussion very often leads to the emergence of more questions. These are some that Boards and senior teams might want to consider as part of strategic discussions or team development sessions:

- What can other charities learn from federated charities?
- What is the responsibility of the larger charities to smaller ones that might be struggling?

Some of the following questions prompted the next topic in the series – Partnerships and collaboration:

- What are the implications for shared accountability?
- How do we blend the borders?
- What about brand and reputation as a resource?
- How do we avoid being too risk averse?

CONNECTIONS WITH OTHER INITIATIVES AND RESOURCES

There's a Good Charity Bad Charity podcast with Craig Bennett, CE of the The Wildlife Trusts that explores the positives of federated structures.

Insights for A Better Way: Improving services and building strong communities has a collection of stories, ideas and case studies, with a 'call to action' on a range of Better Way propositions including 'Local is better than national',' Collaboration is better than competition' and 'Changing ourselves is better than demanding change from others', which also introduces the notion of 'organisations without walls'.

In 'The Dawn of System Leadership' Senge, Hamilton and Kania (2015) echo some of the thinking from our Chair/CE pairs as they discuss the unique kind of leadership required to accelerate progress against society's most intractable problems, and write of 'system leaders' who foster collective leadership:

- Able to see the larger system and jointly develop solutions you wouldn't see on your own, rather than fix individual bits
- Foster deep shared reflection and more generative conversations: this builds trust and fosters creativity
- Shift the focus from reactive problem solving to co-creating the future, inspiring new approaches

Peter Long builds on this and extends the thinking in an April 2015 blog on the Stanford Social Innovation Review (SSIR) site, with thoughts which will resonate in the UK voluntary sector that any Systems Change Should Lift Up Beneficiary Voices[2].

In The Emerging Art of Ecosystem Management, Lang, von Szczepanski and Wurzer (2019) capture some of the emerging thinking on 'ecosystems' which could be helpful when thinking about relationships across the sector. Their thinking is firmly in the corporate sector, about profit and with digital enablers, but if profit is translated to beneficiary impact, many of the ideas (including the 10 principles of ecosystem management) are helpful when thinking about relationships across different geographies and sizes of organisation.

Ecosystems thinking[3] (from science and nature) could well provide useful context when considering the benefits of diverse organisations working together in the pursuit of shared goals:

- An ecosystem consists of a community of organisms together with their physical environment
- They can be of different sizes
- Those ecosystems with a higher bio-diversity tend to be more stable, with greater resistance and resilience, more agile in the face of disturbances and disruptive events
- In ecosystems both matter and energy are conserved; energy flows through the system

Finally, NCVO are leading a project 'Rebalancing the relationship – moving from competition to collaboration' with ACEVO and the Lloyds Bank Foundation. This project produced an interim report and recommendations in February 2020 that sets out thinking about how organisations of all sizes can work together, and how those with more power (in terms of influence or resource) have a greater responsibility.

2 A subscription is required to access SSIR publications but their blogs are freely available.
3 Khan Academy.

DISCLAIMER

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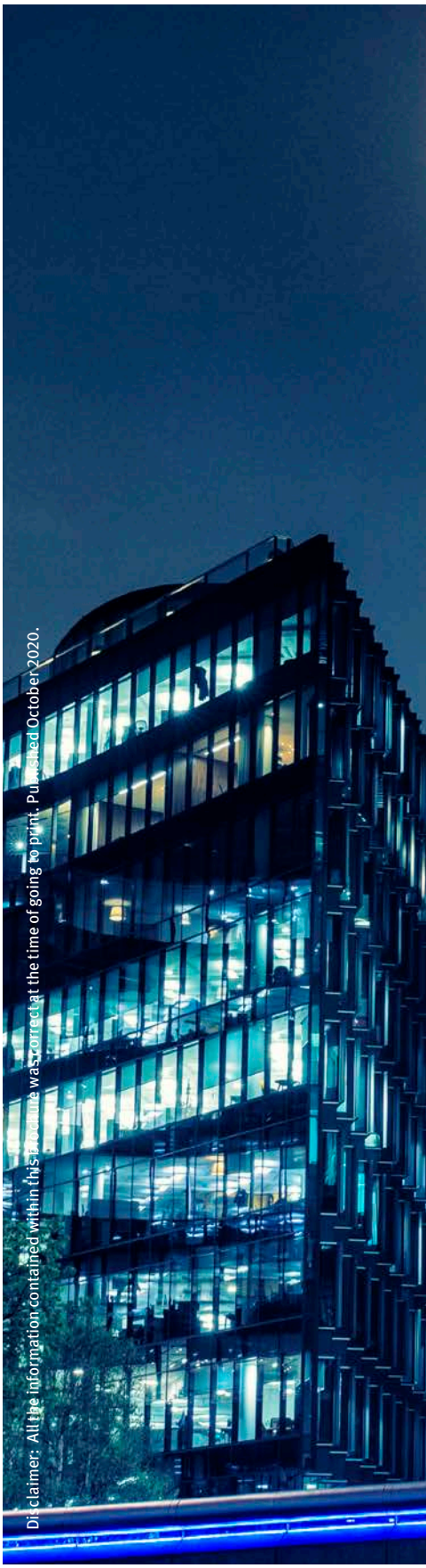

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