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Challenges in Contemporary Governance

Looking through a shared lens

Explorations: Partnerships and collaboration

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Centre for Charity Effectiveness

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Inspiring transformation within the nonprofit sector.

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We are very grateful to the Higher Education Innovation Fund for providing the funding for this publication.

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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; the explorations have 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: **Partnerships and collaboration**

THE CHALLENGE

This challenge was set by Chair and CE participants from one of the member organisations. They suggested that all charities will, at some point, feel as though the task ahead is too big to be tackled alone. In the environment space for example, the twin crises of climate change and biodiversity loss, and their coming together, demand urgency of response at scale, and a combined effort of the many not the few. In this context, partnerships and collaboration are essential. The topic briefing sought to stimulate discussion of the governance implications of partnership.

One example of a collaboration was cited in the briefing note. This collaboration has a mission to transform biodiversity conservation at local to global scales by demonstrating the power of collaborative action. It has raised £150 million to date for biodiversity action, and acts as an extraordinary convenor for conservationists from all over the world. Whilst the initiative is very positive, tensions do exist – these are just a couple:

- Alignment: what is the level of alignment expected between the strategies of the individual partners, and that of the initiative as a whole?
- Power imbalance: how to balance the needs of very powerful players with those of smaller individual partners?

The Chair/CE pair suggested that success in collaborations is dependent on sound leadership, a very clear organisation mission and knowing how that differs from the partnership, and understanding the precise nature of any collaboration: sharing data; joint research; joint advocacy.

With all this in mind, there were two questions to explore in the discussion:

- **A governance question:** what are the governance implications of power imbalances in partnerships - through the lens of a 'big brother' and through the lens of the 'smaller' partner, without whom the endeavour wouldn't succeed? What questions must boards ask, and what alerts/controls must they have in place to ensure integrity and desired impact?
- **A Chair/CE question:** what challenge and support could a Chair offer a CE who is simultaneously juggling a range of different partnerships, each with their own tensions, in order to sustain and drive impact? What questions must they ask to stimulate the right breadth of thinking and also to build the confidence to deliver?

CHAIR/CE INSIGHTS AND IDEAS

Partnerships between like-minded organisations are probably the most challenging

- Have to work out how to work together in new and different ways
  - Need to put a 'placeholder' in the strategy for partnerships
  - If it's not merger, you have to maintain your independence (partnership is still a project)
  - Strategy should be written in the context of partnership (and in any case, should evolve); we need to enable flex
  - The strategy is the bottom line that trustees will hold you to (the multi-year direction of travel and a framework in which to operate)
- They will work when we know that we won't achieve what we need to by just getting bigger ourselves
  - We've been trying to tackle these issues for 50 years and have failed; we have to try something new
  - It needs to be about both working together and selling out – there's an inherent tension
- We have to shift away from contract and scale towards influence and leverage: the big players often want to be in control but to not be seen to be: this gives smaller players an advantage

The governance implications need to be thought through

- The Board has to think about what beneficiaries need and see this as more important than the strategy – we need to seize it
  - Need to put a 'placeholder' in the strategy for partnerships
  - Use trustees as part of the design of the collaborative
- It's important to think about the whole ecosystem and reach out beyond where you are
  - There may be a disconnect between your ambition and the actual value created
  - Think about social movements and what we can learn from them

- We need to think about how we maintain oversight/overview of new relationships (especially in a fast moving world)
  - How we manage the flow of information in partnerships (how will we know)
  - Governance arrangements in partner organisations and in the over-arching one (not take a sticking plaster approach or be subversive); the Board need to look at the risks and make sure no-one is bamboozled
  - Personal relationships are important (and the governance of these); need to consider what happens if these change (a new CE can make a huge difference); if you share space – what about informal conversations?

The spirit of partnership is much harder to do than the formal side

- It's about behaviour change and culture change: we have to think and behave differently
- Co-operation has to infuse everything we do

Partnerships with commercial organisations only work well where there is clear and transparent value (commercial or not)

- It is the partnerships with the greatest benefit that are usually the ones with the greatest risk
  - Need an ethical policy
  - Approach them – have a strategy: map the ecosystem; find the different relationships; look at power (what they/we have; what they/we think we have); seek a different kind of relationship; use the power of small to bring people together
  - The brand is sacred
  - Understand and manage risk – the risk to reputation brings an extra tension
- Commercial partnerships are also an opportunity to influence their behaviour – proactively seek to do that
  - It's important that we look for the best in the relationship
  - Think about what we have in common and where we are different
  - Have authentic, deep conversations
  - Get them to see how we can help – even if we are very very small; find the benefits and the quid pro quo
- We are very good in the voluntary sector at being both humble and brilliant – if it's not working – try a different way!

The Board and Exec may have different views

- The Chair and CE need to design the conversation
- Remember that trustees may only see the organisation as a 'box set' (only seeing episodes 1, 5, 6 and 10) – need to fill in the bits in-between via committees and CE reports
- It's healthy to be different – and can be good to have objective difference; can't seek all trustees to be the same; we need some trustees who are risk averse
- Have the Chair be the bridge between Board and Executive.

Are boards inherently risk averse?

- The notion of perpetuity is important; we are not here in perpetuity (for some it is the Board that seek to put the brakes on; for others it is the Executive.)
- Need to have a shared understanding of risk appetite at a conceptual level first (it's a wise investment); see greater understanding of risk as a positive thing
- Ask at each meeting 'what can we do to add to the risk agenda?'

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:

- How do we ensure cohesion between the organisation's strategy and that of a partnership (two overlapping circles)?
- How can a group of very different organisations 'subvert' their own strategic objectives for the greater good?
- How does governance need to change in this new world of partnership and collaboration?
- How is governance handled in the new macro partnership 'organisation'?

CONNECTIONS WITH OTHER INITIATIVES AND RESOURCES

Two helpful mnemonics were offered at the session:

The Four Cs

(Take small steps to collaboration – don't meet and immediately make a baby!)

Consult (talk to people; share thoughts)
Co-operate (be actively helpful)
Collaborate (do something together for greater effect)
Co-create (you can go straight to it)

The Four Gs

(Can be applied at each level of the Cs above)

Get (what will your organisation get from the relationship?)
Give (what is your unique contribution to the partnership working?)
Give up (what might you need to give up doing to make this partnership work?
Get over (or around) barriers (what is there that you will never agree on but might simply have to "get over" for the benefit of the greater good?)

There is an immense literature on partnerships and collaboration; what can be offered here is a small selection to further stimulate thinking.

The National Housing Federation voluntary code (2015), for housing associations thinking about working together, is aimed at supporting boards in their stewardship role, setting out core principles for any organisation exploring merger, group structure and partnership opportunities; it's a useful resource for anyone exploring the range of options.

Stanford Social Innovation Review (SSIR) have a range of resources on collaboration and merger including:

Why Collaborations Fail which looks at power imbalances at both organisational and individual levels, and how to get the power dynamic right

Nonprofit mergers that work which looks at what has driven success in a selection of nonprofit merger case studies

Governing a collaborative organisation which addresses some of the governance challenges in collaborations and how trustees can cultivate collaborative potential

What's your endgame? which explores a focus on impact rather than scaling up

Collective Impact which looks at cross sector co-ordination

La Piana Consulting have a practical Merger and Alliance Guide to navigating the world of partnerships and collaboration – from initial assessments to integration.

For more on social movements, take a look at The Conversation for examples of current movements and at the SSIR blog on 'social movement ecology' offering a way of looking at how people change the narrative.

For those prompted by Covid-19 to think more about mergers, IVAR have published a guide 'Thinking about... Merger, during Covid-19' to stimulate thinking.

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