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Third sector leadership: the power of narrative

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Abstract

The third sector is experiencing a radical shift in its political and economic environment. It is possible that it may be undergoing a significant transformation in its shape, its role and its relationship with the state. However, much of the third sector's conversation appears to be focused on questions of organisational survival and resilience. There seems to be precious little overall discussion of the deeper question of what the sector is in the process of becoming, or what role it should play through and beyond the contemporary politics of austerity. There appears to be no sustained sector-wide conversation about the potential transformation underway. Drawing on academic literature on leadership, this paper outlines a version of third sector leadership as involving *strategic narrative*, as discursive intervention to frame and shape the direction of debate. The paper calls for a more open and vigorous conversation about the role and future of the third sector, and the potential for developing a big narrative for the third sector and civil society.

Keywords

Acknowledgements

Contents

1. Introduction – the current state-of-the-sector

The third sector, understood broadly here as the vast array of charities, voluntary organisations, informal community groups and social enterprises, finds itself in interesting times. During the past ten to fifteen years it has, amongst other things: grown in size in part through significant public funding, through contracting for service delivery and investment in support infrastructure; gained a much higher profile in public policy and the media; become the subject of much greater policy (and research) attention, with cross-party political support; and at the same time engaged in vigorous (and ongoing) internal debates around independence, values, ethos, professionalism, effectiveness, impact and accountability.

However, the sector is currently experiencing a radical shift in its political and economic environment. Since 2008 it has been operating under the shadow of austerity, first with the double threat of recession, in the form of increased demand for services against reduced resources (Wilding 2010), and secondly in seeking to understand and negotiate a changing political and ideological climate following the outcome of the 2010 General Election. Much of the sector's conversation appears to have shifted towards a rather defensive emphasis on survival and 'resilience', along with an intensified focus on collaboration and merger, and increasingly desperate attempts to demonstrate impact and value for money. It is possible the third sector as a whole may be undergoing a significant transformation in its shape, its role and its relationship with the state, even a partial de-coupling of the closer relationship between the state and third sector which characterised the labour governments between 1997 and 2010 (Lewis 2005). More recent debates have focused on what to call the sector and what gets included, as well as how 'fuzzy' or permeable the boundaries might be to influences from the market and the state (Billis 2010). These discussions open up questions about the extent to which we can meaningfully identify a single 'sector' in the first place, or at least one that has been able to forge and maintain a 'strategic unity' (Alcock 2010).

The patterns and processes involved in these developments remain largely uncharted. Moreover, there seems to be precious little overall discussion of the deeper question of what the sector is in the process of becoming, or what role it should play through and beyond the contemporary politics of austerity. Third sector leaders give interviews, make individual speeches and write occasionally entertaining blogs, but there appears to be no sustained sector-wide conversation about the potential transformation underway. Meanwhile, others throw in their critical perspectives from the sidelines. In previous periods there was an appetite for strategic commissions and panels on the future of the sector, such as the Wolfenden Report (Wolfenden 1977) and the Deakin Commission report (NCVO 1996). These were ground-breaking pieces of work which helped shape the agenda for the sector for many subsequent years. In the absence of such a sector-wide dialogue, it is possible that the major 'shake up' being experienced by third sector organisations is accompanied only by a rather defensive, narrow and increasingly noisy pursuit of sectional claims and interests.[1]

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[1] We note that a similar call for a sector wide commission or similar has been made in recent third sector news coverage on the 'state of the sector' (Cook 2012)

It is through understanding and discussing these shifts and their implications that the question of leadership both in and of the third sector becomes so significant. Drawing on the growing literature on leadership, we outline a version of third sector leadership as involving *strategic narrative*, as discursive intervention to frame and shape the direction of debate about the third sector's role and future. We aim to draw from academic debates on leadership, and on theoretical understandings of the third sector, but in the process we go beyond academic discussion to make a call for the development of a strategic debate on the future of the sector.

In making this argument we first provide a brief discussion of leadership theory and an outline of *existing research on leadership in the third sector*. This aims to clear some ground in establishing just what people are referring to in debate around leadership. What do we mean by it, and is this a common perception? Conventional understandings appear to remain wedded to an individualised focus on leaders themselves (for example, on the existence and development of leadership qualities, styles and skills), whilst current leadership research has moved quite a long way from this conception. In addition much of the research appears to focus on leadership in and of organisations (leadership *in the sector*), rather than leadership beyond organisation and across broader collectivities in the third sector (leadership *of the sector*).

We then move on to develop the argument about leadership of the sector. We provide a theoretically informed reflection on the challenge of establishing and sustaining overarching narratives in the third sector by arguing that *the 'room' for leadership of the third sector is hugely contested and constrained*. This raises the conceptual problem of how to build alliances which can articulate a collective vision for a diverse sector, or parts of it, with diverse and sometimes divergent interests, in a contested and competitive 'field'.

This is followed by an exploration of *the importance of effective narrative* at a number of levels: firstly, through underlining the importance of good *illustrative* narrative in setting out the impact of the work of third sector organisations and activities and secondly, through expounding the importance of a robust *strategic* narrative to provide national umbrella agencies with a strong sense of direction and a secure platform from which to build alliances with government and other stakeholders and strategic partners.

We conclude with a call for a leadership narrative that embraces a more open and vigorous conversation about the role and future of the sector, and the potential for developing a big narrative for the third sector and civil society.

2. Researching leadership in the third sector

Over the past decade, literature on leadership has become a significant growth industry, and, as one academic has argued: 'leadership now challenges the dominant status of 'the efficient manager' who for the previous century was the unsurpassable figure within the organisation discourse' (Western 2008: 19). However, it is clear that much of that burgeoning literature consists of adapted or recycled management theory, or 'old news under a new headline', as Western deftly puts it. Whilst the bulk of academic theory has long since moved on from providing so-called "heroic narratives" depicting the leader as lone actor, nevertheless the accent remains on leadership as configured within individual

organisations rather than leadership between organisations or across the third sector. The latter would require a style of leadership which demands highly sophisticated political skills (Hartley and Fletcher 2008).

Grint (2005) notes that three etymological roots of the word 'leadership': the Old German 'lidan' meaning 'to go', the Old English 'lithan' meaning 'to travel', and Old Norse 'leid' meaning 'to find the way at sea'. The last of these derivations would appear to have a real resonance for leaders in the third sector, for example national third sector umbrella bodies such as NCVO (National Council for Voluntary Organisations), ACEVO (Association of Chief Executives of Voluntary Organisations) and NAVCA (National Association for Voluntary and Community Action), as they seek to navigate their ships through choppy seas and perilous rocks.

The terms 'leadership' and 'management' are both apt to be used rather indiscriminately and without fine distinction. Grint (2005: 15) provides a clear definition:

> Management is concerned with executing routines and maintaining organisational stability – it is essentially concerned with control; leadership is concerned with direction setting, with novelty, and is essentially linked to change, movement and persuasion. Another way to put this is that management is the equivalent of déjà vu (seen this before) whereas leadership is the equivalent of vu jade (never seen this before). Management implies that managers have seen it all before and simply need to respond correctly to the situation by categorising it and executing the appropriate process; leadership implies that leaders have never seen anything like it before and must, therefore, construct a novel strategy.

Elsewhere, and rather counter-intuitively, Grint (2010) suggests that conventional thinking which demands of leaders the ability to solve problems, act decisively and to 'know what to do' may be exactly the wrong approach to tackling what he terms 'wicked problems', that is to say highly complex situations for which reflective and deliberative responses (the aforementioned 'novel strategies') are required. But, as Grint readily acknowledges, pressure to act decisively often leads organisational chiefs to try to apply 'tame' (predictable, managerial) solutions to 'wicked' (hugely complex, unpredictable) problems. That suggests that a leadership narrative for something as diverse as the third sector must be a narrative of empowerment, giving confidence, direction and practical support to organisations to enable them to apply context-specific solutions. It may involve providing and interpreting relevant information and posing challenging questions than seeking to provide decisive answers.

In the third sector, alongside increased resources for capacity building and infrastructure, there has been a much greater emphasis and investment on leadership development in recent years. Arguably this reflects a wider interest in leadership as a potentially creative and transformative reaction to public (and third) sector 'managerialism' (Paton et al. 2007). More specifically, it has accompanied the growing idea that there is a 'leadership deficit' in the third sector (Kirchner 2006). The range of third sector leadership development initiatives could be seen simultaneously as impressive but also as somewhat depressing. These include the establishment of the 'Governance' and 'Workforce' National Hubs of Expertise, and the subsequent 'Governance and Leadership' National Support Service (run by NCVO, ACEVO and others, and funded through ChangeUp via the now dismantled Capacitybuilders), the Community Sector Coalition's work on 'Liberating Leadership', the Third Sector Leadership

Centre, the establishment of 'Skills-Third Sector', the expansion of the School for Social Entrepreneurs, a range of local and regional leadership initiatives (originally funded by ChangeUp/Capacitybuilders and the now defunct Regional Development Agencies), plus, more recently the Clore Social Leadership Programme (Reid and Pearson 2011), NCVO's Leadership 20:20 Commission (O'Boyle 2010, Leadership 20:20 2011) and NAVCA's work on 'Inspiring Local Leadership' (NAVCA 2011a).

It is very likely that much valuable work has already been undertaken through these initiatives, and continues for some of them. From a distance, however, it may look like a whole lot of organisations, networks and partnerships falling over each other to stake a claim around third sector leadership, and to proclaim their particular leadership 'take' for their particular interests or constituencies – wanting to be leaders in leadership. The unfortunate demise of the Third Sector Leadership Centre is perhaps a case in point. Established in late 2006 as a partnership between NCVO and ACEVO, it aimed to raise the profile of leadership and leadership development across the third sector. Funded through Capacitybuilders, the plug was eventually pulled in Spring 2009 after an acrimonious dispute between NCVO and ACEVO about how to take the initiative forward (Plummer 2009). Each appears to have made rival claims over hosting the next stage of the initiative, and seemed unable to continue working in partnership with the other. The full intricacies of this story remain untold, but examples like this put some strain on the idea of a 'strategic unity' in the third sector, and, rather ironically given the subject, question the viability of leadership of or across the sector.

Research on leadership specifically in the third sector is relatively embryonic. Despite some attempt to consider leadership as a broader set of processes, the focus of much writing appears to remain on individuals, in leadership roles or positions of formal authority. The emphasis is usually on Chief Executives of relatively large professional voluntary organisations, although Ockenden and Hutin (2008) provide an analysis of more informal, and less hierarchical leadership in small, volunteer only organisations. As part of ACEVO's work on leadership with Chief Executives, Kirchner (2007) develops a leadership model for third sector organisations based on the idea of distinctive characteristics of the setting. In the model the Chief Executive is seen as leading upwards (managing governance), downwards (harnessing resources and running an organisation effectively) and outwards (representing the organisation). For Kirchner, a distinctive challenge for many third sector organisations is that service users do not usually fund services, and thus outward representation – a role as an ambassador - is often oriented towards funders rather than beneficiaries.

Some studies have tried to identify and describe the typical attributes and characteristics of people in leadership positions. In a study of the everyday practice of leadership in the third sector, Paton and Brewster (2008) note the relatively high visibility and scrutiny faced by Chief Executives, and draw attention to the 'soft leadership' roles around handling relationships with a diverse but committed range of people in and around their organisations. Drawing on work in organisational psychology, the authors outline a conceptual framework for 'what's it like being a Chief Executive', which includes system and field awareness (or the 'helicopter view' of seeing the bigger picture); emotional awareness; detachment from dilemmas (that is, beyond binary either/or thinking); and cognitive complexity, making meaning and intuition. Chambers and Edwards-Stuart (2007), identify a list of attributes, characteristics and behaviours of successful social entrepreneurs, including integrative and speculative thinking; drive and persistence; a strong value base; focus; accurate sense of self and a

good 'reading' of others; and an active approach to networking (2007: 16). Finally, in a small exploratory study based on interviews with twelve Chief Executives of third sector organisations of varying size, Cormack and Stanton (2003) identify the following core characteristics of third sector leaders: emotional attachment, passion, enthusiasm and affinity with the cause; a strategic perspective and a customer service orientation; networking and influencing; personal humility; motivating a team; resilience; self-confidence and being a visionary and inspirational communicator, involving (2003: 8):

> The ability to paint a picture of the future that appeals strongly to others. Shows passion and emotion in visioning and representing the work of the organisation to others. A powerful communicator in all forums from one-to-one to public speaking. Visible and seen to speak out and represent the organisation.

Thus a common theme across these studies appears to be the importance of a communicative 'ambassadorial' dimension in leadership, alongside references to networking, conversation, representation, and articulating a vision both within and beyond the organisation. This draws attention to the significance of story-telling and narrative, one part of the broader idea of leadership as performance (Peck et al. 2009).

Kay (1996) explores and extends the communicative dimension of leadership in the sector by conceptualising leadership as a process of creating and sustaining meanings in negotiation with and influenced by others. This is in contrast with traditional hierarchical and heroic accounts of individual leaders, although his research involved interviews with Chief Executives. Here, the concept of leadership is depicted as a 'sense making' process involving (1996: 131):

> ...a multi-dimensional process of social interaction, creating and sustaining acceptable meanings of issues, events and actions. Leaders are conceptualised as those who have involvement and influence in this leadership process.

The research focuses on the process of 'sense-making' between people around shared understandings and meanings, involving vision setting, interpretation and take-up, influence and credibility. There are four dimensions to sense-making: social and cognitive – creating meanings acceptable to others; socio-political – influencing commitment to particular meanings; cultural – setting meanings within an organisation's culture, and enactment – ensuring that meanings are reflected in actions. Schwabenland (2006) follows Kay in her creative discussion of story-telling and leadership in the foundation and development of organisations to achieve social change.

Now, the focus on leaders of organisations has meant that little attention has been given to leadership both in and of diverse and broader collectivities, such as the third sector as a whole, or constituent parts: sub-sectors, such as 'the children and young people's voluntary sector' or movements within the sector, such as 'social enterprise' or 'infrastructure'. And yet there is a common theme in much of the writing around communication, articulation, projection, framing and visioning. Metaphors in use here are around 'inspiring visions', 'painting pictures' or 'telling stories', and suggest a need for closer attention to the idea of narrative. As part of this exploration, it is important to consider the discursive 'space' in which narratives operate, and particularly the struggle of competing narratives for 'room'.

3. 'Room' for leadership in the third sector

Our aim here is to provide an account of the third sector in which the issue of leadership can be located. Theoretically this is informed by two main strands of thinking: firstly, that the third sector might accurately and usefully be articulated as a contested 'field' (Bourdieu and Wacquant 1992), and secondly that in negotiating their way through a dynamic social and political context, people develop strategies. But it is helpful to recognise that strategies will always be discursively framed and mediated through our (fallible) understandings of the context (Hay 2002). Hay's model of power, context and conduct, is another way of saying that ideas and different visions about the third sector matter, and can be shaped. In combination, this 'relational account' of the third sector tries to take seriously the idea that there are different and conflicting positions and interests in the sector – this is part of the everyday 'stuff' of life in the third sector.

In a 'field' perspective the third sector is occupied by a range of individuals, groups and organisations, but some are in a better 'position', with more power, than others in terms of the possession and pursuit of resources, connections and relationships, influence and recognition, and status and regard (these equate roughly to what Bourdieu would call different 'forms of capital'). Participants are actively engaged in seeking to safeguard or advance their position, or their 'room' for manoeuvre, their power to shape and define the field and even to dominate its operation. As such field participants have some orientation to each other and to what is at stake in the field.

Framed within this perspective, third sector leadership draws attention to the struggle to define what might be important in this 'field'. This is where the idea of *strategic narrative* comes in. A range of relatively familiar strategic narratives have been developed in recent years, for example, NCVO's articulation of the vital and distinctive roles the sector can play in civil society, or ACEVO's argument for the significant potential for more effective delivery of outsourced services by professionally run third sector organisations, or NAVCA's promotion of *local* third sector activity and organisations and for a balanced portfolio of funding mechanisms in the sector, rather than a wholesale shift to contracts. As claims and arguments about the way the third sector works and should work, these interventions involve 'discursive' constructions of the field. They involve different understandings, interpretations and representations both of the third sector, and of what matters to it (or, at least, to parts of it).

In this view of the third sector, leadership becomes part of a struggle for meaning, credibility, influence and authority, and about how particular visions or narratives of the sector can be forged, developed, circulated, sustained and defended against others. However, some understandings or narratives of the third sector are likely to have more purchase than others. A fundamental question for practitioners (and researchers) is to identify the key features of these credible narratives and to understand what makes them stick? In other words, what is it that affords them 'room'?

The idea of 'room' originally centred on the 'space' for an organisation to operate in a given field (Macmillan et al. 2007). It involves firstly an acknowledged role and position, based on an ongoing, sometimes awkward and contested accommodation between similarly placed organisations operating in a given area, and secondly a capacity to continue its activities to pursue its aims. With an ecological metaphor in mind, 'room' expresses the idea that what matters to third sector organisations is a secure

niche in which they can freely operate without threat. However, by extension the concept can apply to ideas and visions for the third sector, and the extent to which they gain salience, influence and importantly accrue a following. Ideas and visions of the sector also struggle for attention and recognition, and at least part of this will involve the development of a convincing and productive narrative; convincing so that it gains credence and a following ('this makes sense to us'), and productive in that it can suggest action to others ('this is what we should do about it').

Hence when we look at the suggestion that leadership of a collective, such as an organisation, a sector or part of a sector, involves narrative, influence, argument and authority, we should not just look at the production of the story or vision, but also the context in which it circulates. We should not focus just on who is creating the story or vision and what it says, without also asking what the 'room' for a particular story might be and how it relates to or compares with others. Does it gain a following and if so why? What gives it credibility? Is it in the story-telling or in the audience? Is it timely; the right thing to say at the right time? Does it coincide with a 'window of opportunity' within a political structure or policy process? Is it about gaining the ear of the right influential people that can pass on the message, and act on it? This suggests that the legitimacy, and thus credibility and power, of a narrative, relies as much on its audience reception as its persuasive storytelling (Peck and Dickinson 2010). Claims about or for a particular cause, sector or sub-sector will always enter into a struggle for attention and salience, but we don't really know enough about what happens in this process.

4. Towards leadership as a 'big narrative'?

Thus far we have discussed leadership in the third sector in terms of narrative and vision, but have noted the relative paucity of reflection about leadership of diverse collectivities, such as groups of similar organisations, sub-fields, or the whole sector. Armed with these insights, how might third sector leaders - people with influence, credibility, a following and something to say – proceed? What might be the content of a third sector leadership narrative? Here our focus shifts to *leadership of the sector*, rather than just leadership in the sector, although clearly they are related.

In this section we distinguish two forms of story-telling: illustrative narrative and strategic narrative. The art of illustrative narrative is one of projecting the organisation to garner popular support and to draw in resources, whilst the art of strategic narrative is one of providing a vehicle to deliver a specific political or policy outcome, or outcomes. We highlight the distinction through two examples.

Illustrative narrative has a more operational and organisational emphasis, addressing 'what we do and how'. This is about how organisations account for their work to develop wider regard and support for their work and role. For example, during 2010, Third Sector magazine carried an article reporting on a study by Deloitte's of a number of charities' annual reports (Rowley 2010). This argued that a valuable opportunity was being squandered by the failure of those charities to deploy annual reports as a marketing tool - as a means of 'selling' the organisation's worth to the wider public. The article triggered howls of protest from certain quarters, and a defence that the consultants were mistaken. The counter argument was that annual reports were often prepared simply to meet Charity Commission requirements, with promotional literature produced either independently of those reports, or else otherwise to complement the annual report, through an 'Annual Review'.

However this issue opens up a broader question of accounting for impact. It is fair to say that in recent years a whole range of not-for-profit organisations, public policy think tanks and even government departments have been investing time and ingenuity in coming up with methodologies, pilot projects and manifestos to assist third sector organisations to give better account of themselves (Eliot and Piper 2008, Cupitt 2009, NEF 2009, NCVO 2010, NPC 2010). However, most prominent amongst the initiatives, by dint of having been promoted by the Cabinet Office and piloted by New Economics Foundation and its associates in various locations nationally, has been Social Return on Investment (SROI) (Office of the Third Sector 2009). SROI can be characterised as, in essence, a measurement framework that helps organisations to understand and manage the social, environmental, and economic value they are creating. Nevertheless, there have been a significant number of criticisms, particularly from smaller and medium sized charities, that SROI methodology is overly complex and bureaucratic. Westall (2009), for example, argues that SROI needs to be more rigorously assessed both for its alleged benefits, but also for its unintended dis-benefits. She urges policymakers to look beyond the SROI focus on 'monetisable' outcomes (in essence, the provision of financial proxies for social returns) to alternative practitioner-driven theories, such as 'distance travelled', as well as developing social audit or accounting methodologies to better present evidence of broader kinds of value created.

These debates raise the issue of whether and how third sector organisations find and use opportunities to develop an illustrative narrative to construct and reinforce a case for their role, value and impact. Membership associations, federations and other umbrella bodies, such as Citizens Advice, MIND or NAVCA, may be able to aggregate this kind of information where relatively standardised reporting frameworks have been developed. This more proactive approach may help provide a stronger voice for their membership constituency, and in the development of a 'big narrative' for representational work with ministers and other key national bodies.

In contrast, *strategic narrative* has a broader policy, advocacy and campaigning emphasis, addressing 'what we're for and what we want'. Here the stress is on addressing some of the larger questions of identifying and tackling social problems, developing a broader social purpose and promoting social change. To highlight strategic narrative, we look at policy responses to civil unrest. Following the riots in Tottenham, Croydon and other parts of the country in August 2011, the coalition government moved very quickly to provide its own analysis of the causes. Resurrecting the 'Broken Britain' thesis which had formed a significant feature of the Conservative Party election manifesto in 2010, and which has informed the thinking behind a whole raft of subsequent policy initiatives, the government framed the riots in terms of criminality and family breakdown, rather than isolated events which got out of control, or broader social conditions during a period of austerity. Clearly, at times of acute social unrest, causes will rarely be uncontested and a range of competing narratives will emerge, and continue to struggle for 'room' as the debate plays out in the media and beyond. It is during such debates that fissures for strategic narratives may form; opportunities for intervention and influence. A good example might be the way issues and discourses around 'community cohesion' were formed and fleshed out by key stakeholders in the wake of earlier (2001) 'disturbances' in

Bradford, Burnley and Oldham, most particularly by the Runnymede Trust, during 2002, as it sought to implement the recommendations of the Independent Commission on the Future of Multi-Ethnic Britain (Parekh 2000). The report had, in effect, been stillborn, lambasted in a number of red-top newspapers largely on account of one rather infelicitously worded paragraph, despite being essentially a measured and rather scholarly publication. Attempting to breathe life back into the corpse of the Parekh Report was never going to be easy. However, the events of the summer of 2001 did provide the Runnymede Trust with the opportunity to resuscitate elements of the Parekh Report dealing with cohesion, and to assist the government and its advisory panel (chaired by Ted Cantle) to prepare a considered response to the disturbances.

The term 'community cohesion' which featured in both the government's and the Cantle team's reports on the riots was a new coinage, adding a racial dimension to traditional class-based concerns over social cohesion, but it was not a fully developed concept. Through agile leadership and judicious timing, Runnymede's then director and trustees were able to create room within the national debate for a re-consideration of many of the ideas contained in the Parekh Report, and to establish the organisation as a valued but critical friend of government across a range of emerging policies (Runnymede Trust 2003, 2005). Whilst it is important to acknowledge that in the ensuing years it was not the Parekh vision of multiculturalism that prevailed, but rather a more 'integrationist' approach promoted by government and a powerful ally at the Commission for Racial Equality (Cantle 2008), nevertheless the fact remains that even a relatively small national third sector organisation with limited resources could create space to propagate its ideas, armed with a coherent narrative skilfully aligned with government's strategic concerns. Even if not all of those ideas ultimately gained traction, the 'Runnymede exemplar' still gives pointers to the potential power of effective strategic narrative.

National third sector umbrella bodies may need to give a steer to their members on how better to give illustrative narrative accounts of their work, and in parallel to develop a stronger strategic narrative in their dealings with government. Responding to the idea of the 'Big Society' by saying 'this is what our members do already' is unlikely to be sufficient. There is now plenty of evidence which suggests that third sector organisations will need to become more proficient in the language of outcomes, and a suggestion that to do this would involve, in part, a better command of illustrative narrative. But in order to do that perhaps national associations and umbrella bodies could do with providing a stronger set of strategic narratives. This could be around various aspects of the concept of 'the Big Society', but what other prospective candidates are there, perhaps more neutral in tone and less politically loaded than 'Big Society'? Clearly there are a great many, including equality and poverty reduction, social inclusion, environmental sustainability, quality-of-life and well-being, social capital, social justice and cohesion, and civil society, itself. In the concluding section we suggest a way forward for third sector leadership, by developing the power of narrative and opening up for debate a key question: what is the third sector for?

5. Conclusion: developing the power of narrative

In so far as different claims and stories about the third sector are also about pursuing particular interests, the prospects for the development of an overarching strategic narrative in the sector might seem, from the argument advanced in this paper, to be rather bleak. For example, a position and story from ACEVO of the sector delivering public services tends to privilege large national third sector organisations, which seems to run across and against the localism espoused by, for example, NAVCA. This example calls into question the possibility of a coherent single narrative for the third sector. It may even apply to what would otherwise seem to be cohesive parts of the sector. In consequence we end with what looks like a relatively pessimistic account of the sector and the prospects for leadership, unless we accept a reality of competing claims and visions for the sector. Moreover, the task of forging, sustaining and defending overarching visions of the sector might even be more of a challenge in a cold climate, as the sector may experience a 'social trap' of declining trust, defensive retreat to specific enclaves and increasing rivalry for diminishing resources (Rothstein 2005). The ironic tension arises between widespread and intensifying encouragement and endorsement of collaboration, working together and building alliances, at precisely the moment when the conditions which may facilitate this are being undermined.

But it would be wrong to end on an entirely pessimistic note, and given the scale, speed and significance of the changes the third sector is experiencing, a sector-wide conversation is arguably more urgent than ever. Part of the skill of framing a successful strategic narrative is the ability to capture the zeitgeist, and in framing the narrative to make judicious use of content and timeliness. The Coalition Government is developing a vision for the third sector and civil society in which the state appears to have a diminished role. De-coupling the third sector from the state, and the 'Big Society' agenda as a blueprint for a smaller state, has powerful implications for the sector in constructing its strategic narratives. The goalposts are changing rapidly.

A defensive strategy would seek to protect resources for the sector by attempting to level out the playing field for those parts of the sector concerned with competing for contracts for delivery of public services, whilst seeking also to provide compelling evidence of outcomes achieved by other parts of the sector in receipt of public funding. As we have seen a vigorous debate continues on the assumptions, costs and relative merits of different approaches to assessing and measuring different aspects of value. But whatever their advantages and deficiencies, the idea of *social value* could provide added intellectual rigour in the construction of 'defensive' strategies. Representing a kind of marriage between public value theories (Bennington and Moore 2010) and economic value-added theory, social value recognises that social outcomes such as improved health, stronger communities and better environments have a value to society. Neither the state nor markets can on their own produce the kind of prosperity, civility, and social justice that people desire for themselves, their families and their communities. As a result civil society is thereby encouraged to demonstrate what it can provide for public commissioners, purchasers and grant givers (NAVCA, 2011b).

The concept of social value could prove useful in helping the sector (or parts of it) negotiate 'room' and frame 'defensive' strategic narratives, but in the current climate is that really sufficient? While

many commentators seem to think that the term 'civil society' is of relatively recent coinage, the idea in fact originates in the writings of the eighteenth century Scottish Enlightenment philosophers who, essentially, saw civil society as a bulwark against the state (Hall 1995). However, following the demise of Soviet communism in the late 1980s and the revival of interest in the concept, the concern has arguably been more about civil society as a bulwark against corporate power rather than state power (Rifkin 2004, Crouch 2011). So, historically, civil society has been defined in contradiction to other prevailing forces in society rather than in association with them. As with many areas of social policy vocabulary the term 'civil society' has been subject to a variety of different interpretations (Edwards, 2009). Whether the accent is on civil society as the embodiment of associational life, as a promoter of the 'good' society, or as the guarantor of the public sphere, it nonetheless provides a banner around which different elements of the third sector could coalesce and possesses sound theoretical and empirical foundations on which a powerful narrative can be constructed.

It is not at all clear that the present Coalition Government is prepared to offer a variant of the 'partnership' arrangements that formed the keystone of New Labour's approach to the voluntary and community sectors, so third sector leaders will doubtless need to grapple with that possibility and begin to envision a blueprint for a sustainably independent sector. However, it is beyond our purpose in this paper to try to tackle issues around the viability, or, indeed, desirability of de-coupling civil society from the state. What we wish to emphasise is the potential for the construction of a more powerful narrative around the role of civil society, and the role third sector leaders may play in instigating and shaping that conversation. In an influential book published last autumn, the economist Richard Murphy makes clear that market forces can only operate successfully within what he terms a 'balanced society', in other words one in which there is law and order, guaranteed health care and social security, but also acceptable levels of social cohesion and civility - a strong civil society, if you will (Murphy, 2011). Certainly, at a time when the reputations of former scions of society (MPs, bankers, the media) are so badly dented, and with various recent scandals surrounding the capacity of the private sector to deliver public services (care homes management; maltreatment of vulnerable adults), the third sector has come to embody a form of institutionalised trust and trustworthiness. If the foregoing analysis is correct then that suggests an element of latent power and opportunity for the sector. The question which remains is whether third sector leaders can overcome historic rivalries and the competition for scarce resources to forge a new strategic alliance and a strong strategic narrative vision to exploit that latent power, and provide leadership to empower the whole sector.

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The third sector provides support and services to millions of people. Whether providing front-line services, making policy or campaigning for change, good quality research is vital for organisations to achieve the best possible impact. The Third Sector Research Centre exists to develop the evidence base on, for and with the third sector in the UK. Working closely with practitioners, policy-makers and other academics, TSRC is undertaking and reviewing research, and making this research widely available. The Centre works in collaboration with the third sector, ensuring its research reflects the realities of those working within it, and helping to build the sector's capacity to use and conduct research.

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It is essential that the Centre's research is informed by a strong theoretical and conceptual analysis of the sector and the policy environment within which it is situated. Theoretical analysis of the sector is not well developed in the UK, in part because of the applied focus of much existing research. TSRC will contribute to ensuring that difficult theoretical issues are articulated and explored. Critical understanding of the policy environment is also essential, for it determines much of what happens within the sector. TSRC is co-funded by the Office for Civil Society which is responsible for developing and delivering policy in England. The Centre's research will help inform this policy development, but will also make that policy process itself the subject of critical review. We need to know 'what works', but we also need to understand who decides 'what matters'.

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