

Third Sector Futures Dialogues

Big Picture Paper 5

A strategic lead for the third sector? Some may lead, but not all will ever follow

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Introduction

You often hear the complaint. Local authorities or central government departments seem to want to a single point of contact in the voluntary sector; a phone number to ring in order to find out what 'the sector' thinks about a new policy or programme. This, it is said, involves a fundamental misunderstanding of the nature of this thing we happen to call a sector. In reality, 'sector' houses a highly diverse collection of groups, organisations and individuals: a 'loose and baggy monster' in the time honoured phrase. Whether or not the complaint is true or fair, it illustrates a pressing but longstanding set of issues for the voluntary sector. To what extent can it be regarded as a single 'sector' at all, either conceptually (how we think about it, what is the appropriate unit of analysis) or politically (whether there might be common interests across its diversity, and how these are organised and represented)? This paper discusses these questions and in particular considers whether a coherent strategic voice for the sector is possible or even desirable. We set this discussion in the context of concerns about leadership in and of the third sector.

At fairly regular intervals during the last 35 years there have been a good number of wide-ranging commissions and reports into the condition, role

and future of voluntary action, organised through government and the sector itself. Arguably these have been part of a longer term process of constructing and institutionalising the idea of a single sector. It has a name, albeit rather contested, such as voluntary sector, voluntary and community sector, or third sector. More importantly perhaps, it has a range of reinforcing processes and policies which together build and strengthen the idea of a sector: Compacts, trade magazines, events, research programmes and strategic partner programmes with government departments. Into the pot for consideration would also go the multifarious efforts within the sector to identify, shape and channel different conceptions and understandings of the sector. These could be more or less straightforward descriptive representations of the sector (what it is, what it looks like, what it does and how it works) or could be political representation of diverse perspectives and policy positions.

But if you get beneath the label and peer inside the box, you begin to appreciate both the sector's diversity and its fuzzy hybrid edges. Then you might also begin to worry about whether it is feasible to call it a distinctive sector at all. There are lots of different entities involved and they look rather different: from small informal groups in the grassroots to larger more formal organisations

delivering a range of different services; from neighbourhood and local organisations to those operating across larger geographic scales; organisations working in different fields of activity – community development, mental health, advice, criminal justice, etc; various kinds of ‘social enterprise’ activities set against other kinds of organisation; and BME-led organisations alongside ‘mainstream’ organisations. The list of cross-cutting fractures and dividing lines could go on, and leads some to suggest that the appropriate unit of analysis ought to be the nature and workings of individual groups or organisations, rather than the artificially constructed and reified notion of ‘sector’. Eventually, a diverse and fragmented sector may not be considered a sector at all. Of course the third sector is not unique in this respect. The business sector, the media and the public sector are characterised by extraordinary diversity as well.

In the third sector these divides are manifested in occasional outbreaks of deep-seated disagreement across the sector. Some will remember the outcry at the suggestion, in the Centris report ‘Voluntary Action’ from 1993, that the sector should effectively be split into two: a ‘first force’ of large service delivery agencies competing for contracts with the state on the one hand, distinguished from advocacy and campaigning groups on the other. More recently, a letter from several national representative bodies to the Chief Secretary to the Treasury promoting the sector’s role in the government’s Open Public Services agenda drew criticism in some parts of the sector, and a counter-letter was organised in response. Weaving through the dispute are different conceptions of the sector’s role, but crucially also concerns about leadership in terms of who can speak for the sector, and what they may legitimately say. So questions about the nature and name of the beast of voluntary action, and about how its diverse perspectives and positions are articulated and pursued, are also fundamentally questions about leadership in and of the third sector. How does or should leadership work across diversity?

Researching leadership

TSRC has addressed some of these concerns in its research programmes. Reviewing the sector’s role in national political and policy discussion during the successive Labour governments from 1997 onwards, [Working Paper 24](#) argued that the third sector, particularly during the era of Labour governments from 1997 to 2010, could be construed as a ‘strategic unity’. This amounted to an acceleration of earlier relationship building efforts in the sector. A coalescence of interests between a number of national third sector umbrella bodies – NCVO, ACEVO, NAVCA and the like – was forged with a government keen to embrace and engage the sector in a partnership on public policy, community participation and public service delivery. Policy developments such as the Compact, cross-sector investment programmes and the formation of the Office of the Third Sector in the Cabinet Office, with an encompassing definition of the ‘third sector’ including co-operatives, mutuals and social enterprise, sought to cement the notion of a single sector. Arguably the establishment of TSRC itself reflects this policy current. This ‘hyperactive mainstreaming’ ([Working Paper 42](#)) of the sector reached its zenith in a series of summits during 2008 and 2009 as central government and national third sector leaders formulated a joint response and action plan to respond to the economic downturn and recession ([Research report 78](#)).

From the perspective of 2013, the decade leading up to the 2008 financial crisis begins to look like a ‘golden age’ for the sector, of both generous resources and a secure seat at the policy table. But would the ‘strategic unity’ accompanying these developments ([Working Paper 24](#)) survive both an economic squeeze and a change of government? If the apparent unity established in an accommodating political and economic context was at best ‘strategic’, could it last through unsettling times? Are competitive pressures for survival likely to open up the cracks papered over by strategic unity? And what was the basis on which the sector could be held together as a unity in the first place? [Working Paper 89](#) suggested an alternative way of thinking about the idea of

sector, as a more or less fragmented set of overlapping fields and interests. Here we see a sector with contested, fuzzy and permeable boundaries characterised increasingly by hybrid organisations taking different pathways in relation to the market, the state or the core voluntary sector ([Working Paper 50](#)). Given this complexity, the 'strategic unity' of the sector becomes a more fragile, contingent and provisional *alliance* of strategic interests across the sector. It cannot always necessarily contain diverse perspectives and interests, and some will resist being herded in such ways. Furthermore this alliance is likely to be a continually evolving picture as the wider context for the sector changes.

Whilst research has often looked at the relationship between national umbrella bodies and key government departments, other actors have a considerable and influential role to play in the third sector and in influencing public policy. Regulatory agencies such as the Charity Commission, and funding bodies such as the Big Lottery Fund and charitable trusts and foundations play important field-shaping roles. Research on the Big Lottery Fund's relationship with and impact on the third sector ([Research report 75](#)) identified three main impacts of BIG on the sector: on the very shape of the sector through its funding programmes, on skills and capacity such as partnership working and understanding outcomes, and lastly a wider indirect impact on the third sector through influencing funding practices and policy. The research raises a number of questions for BIG and other stakeholders to consider, and in particular whether BIG should endeavour to become a more 'active' policy actor and leader of change in the third sector.

It is important to distinguish between leadership in and of groups and organisations (*leadership in the sector*) and wider notions of leadership across broader collectivities in the third sector (*leadership of the sector*). Reviewing literature and arguments on third sector leadership, [Working Paper 76](#) noted a focus on individual leadership qualities, styles and characteristics, but discussed and promoted the idea of leadership as narrative. Based on the idea of

framing, this drew from the emphasis given in existing leadership accounts to 'inspiring visions', 'painting pictures' or 'telling stories'. The development and articulation of convincing and credible narratives was an essential component of pursuing a cause and mobilising a following. This suggests a more dynamic and plural conception of leadership, with many contributing voices in a wider conversation. A strategic narrative is then an intervention to frame and shape the direction of debate about aspects of the third sector's role and future. The paper concluded with a call for a strategic debate on the future of the sector, speculating whether a new strategic narrative was possible.

New directions in third sector leadership

Research currently being conducted by the TSRC, and to be published in due course, is considering questions about leadership, representation and influence in the third sector. The study has a particular focus on the sector's leadership at national level, and involves interviews with leaders and commentators on leadership, supplemented by focus groups with local infrastructure organisations and frontline organisations. A variety of voices and perspectives have so far emerged, around both the perceptions of leadership by those identified as leaders at this level, and by the sector more broadly. There are concerns about whether it is really possible to 'speak for' such a diverse sector, particularly at the national level where the representation given was considered by some to have a strong London/South East bias. Amongst TSOs, field-specific umbrella organisations (for example in mental health, housing or criminal justice) were sometimes seen as more important than bodies seeking to represent the third sector as a whole. This raises the question about whether these 'vertical' forms of infrastructure and leadership specific to policy fields, client groups and social problems, are more significant for many in the sector, and possibly for government, than 'horizontal' forms. There may also be a dynamic aspect to this: is the phasing out of the Cabinet Office's strategic partners' programme, alongside reduced funding for cross-sector initiatives, a signal that the state is

increasingly interested in supporting field-specific relationships, rather than sector-wide relationships?

However, there did seem to be an important role for national level leadership in speaking into policy and public debates on behalf of TSOs. This was highlighted, for instance by a group of TSO leaders in one of our focus groups in Watford, whose constrained resources were being focussed on service delivery and on responding to the anticipated impacts of benefits reforms on their clients, leaving them with no time or resources with which to seek to influence the policies driving these changes and shaping the environment in which they were operating. Similar issues were identified by TSO leaders in Birmingham and Manchester. If the concerns expressed by the Panel on the Independence of the Voluntary Sector in its second annual report¹ are anything to go by, there is a danger of self-censorship amongst voluntary organisations, fearful of the consequences of speaking out on behalf of vulnerable people. In these circumstances leadership and representation arguably becomes even more important. National umbrella organisations, whether general or field-related, might need to devote more attention to their campaigning and influencing functions than at present, with stronger channels of communication to other voices and perspectives in the sector. If we acknowledge this need for 'voice' or representation, concerns about discrepancies between the messages given by the loudest or most influential leaders in the sector and the experiences of TSOs 'on the ground' also need to be taken seriously, raising the question of who speaks for whom.

The national level leaders involved in the study had different perspectives on what it meant to represent the sector, and to some extent their claims and views on this reflected the nature of their organisations. Membership organisations, for instance may have a duty to represent their members views which other organisations do not have. Some organisations had formal consultation strategies in place, whereas others seemed to give their leaders a freer hand to improvise based on their own views, experience and knowledge. There might be different mechanisms operating to give legitimacy to

leaders' narratives and representations, for example, a membership mandate, regular consultation, or the authority which derives from expertise or research knowledge. However, a common underlying element here was an implicit process of accountability and resonance. As one participant put it, there is an 'emperor's new clothes' element to leadership. On the one hand leaders are more or less tethered by these mechanisms; whilst they have license to speak, they quickly know if they are speaking out of turn. On the other hand, their voices and representations need to resonate with their followers and wider audiences in order to have influence and leverage.

Some leaders reflected that representing the views of the sector was not always their goal: sometimes there was a clear value position that their particular organisation would hold to as a matter of principle, for example. In other cases part of the leadership role was to influence and challenge the sector itself to improve its structures and practices, for instance in reporting outcomes or engaging with social media. As one interviewee noted, there was space for a leadership of ideas and values as well as practice.

Where this greater scope for values-based leadership – as opposed to democratic representation – is given, the characteristics of individual leaders perhaps become more important. This might include values such as integrity, humility, self-awareness, and commitment to a particular set of values, as well as having relevant knowledge and social networks. It was also suggested that personal experience could play an important role in this respect, and it may be that those leaders that achieve greatest 'resonance' or credibility amongst TSOs are those that have come up 'through the ranks' and seek to remain connected with the day to day work of those on behalf of whom they speak. As one leader expressed it '...if you've got your values base right and you've got an authentic understanding of the issues you're tackling....then you have a responsibility to articulate those and to seek changes that will address poverty and disadvantage...it's a duty of leadership to do that'.

Mission impossible?

We highlighted from the onset the challenge of representing or speaking for the third sector at a national level in view of its diversity. However, not only does there seem to be a demand for this kind of collective voice in the political sphere, there also seems to be a large number of organisations and individuals that could be considered to be suppliers of this type of leadership. As one of our national leaders put it: ‘...So diversity’s a wonderful thing in the sector but if you are so diverse that you become a clamour then you’re not going to be very effective and you’re very easily played off one against another’. This perspective seems like an attempt to rejuvenate the ‘strategic unity’ that brought the sector together to benefit from greater policy influence and access to resources under New Labour. As such opportunities contract, this strategic unity may be dissolving. If so, might a coherent narrative of the third sector fade or get left behind?

However, this has not been the story of past periods of state welfare retrenchment, and it seems unlikely that the third sector discourse will disappear in the near future. Perhaps instead there is a need to find a new basis for agreement, or a new ‘strategic narrative’ for the sector ([Working Paper 76](#)). This might be framed not on the basis of a particular set of relationships with a government (as was the case with the Compact, for example), but upon more far-sighted core elements and shared priorities which could command attachment across the sector: a deeper and enduring common interest in promoting well-being and social justice on the one hand, and coupling social action with a willingness to ‘speak truth to power’ on the other. This might come in full acknowledgement that the aspects of wellbeing, forms of action, and conceptions of truth embodied within the sector will remain highly diverse and dynamic.

Leadership in such a context might then involve creating and maintaining space and opportunities

for organisations to debate and enact these two core elements. It might also involve holding the third sector itself to account, as well as managing and challenging its relationships with other actors, operating in both the state and the private sector.

The research and debates highlighted here beg some important questions for further discussion:

- Was the third sector’s apparent ‘strategic unity’ a product of the Labour government’s commitment to the sector through policy dialogue and financial support?
- Without that government commitment and support has the need for such a ‘strategic unity’ now disappeared, or has it intensified?
- Might an increasingly fragmented sector lose its political influence just at the time when arguably it is even more necessary?
- To what extent does the sector need a leadership that is given authority by leaders’ values, knowledge and experience, compared with a leadership supported more by democratic mandate?
- Is there a London bias in third sector leadership – and if so does this matter?
- Should leaders base their views on evidence about the contribution of the sector, or should they be promoting sector values?
- Are existing leadership structures and sources of legitimacy in the sector fit for purpose, or do we now need something different?

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¹ Panel on the Independence of the Voluntary Sector (2013) *Independence under Threat: the Voluntary Sector in 2013* (London, The Baring Foundation, Civil Exchange and DHA) <http://www.independencepanel.org.uk/>



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