Unfolding tales of voluntary action

Two
'The boss'

Case study 'Hawthorn' – a family support project in a town in the north of England, mid-2010

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Case study 'Hawthorn' - a family support project in a town in the north of England, mid-2010.

In which the contested origins and consequences of an organisational audit in a small local voluntary organisation are discussed, shedding light on an organisation in crisis.

Key themes

- The 'liability of smallness'.
- An organisation thrown into crisis.
- The role and hidden power dynamics of organisational audits.

Acknowledgments

This paper, the second in a series called 'Unfolding tales of voluntary action', draws on data generated in the 'Real Times' qualitative longitudinal study of third sector organisations and activities. It has been produced in collaboration with the ESRC-funded *Changing Landscapes for the Third Sector* Knowledge Exchange project with the University of Leeds. For further information about the Real Times study, see TSRC Working Paper 56 (Macmillan 2011).

The next instalment in the series will look at how Real Times case study 'Birch', a large urban advice centre in the north of England, is preparing for an austere local funding environment.

An organisation in crisis

'Hawthorn'[1] is a small everyday local voluntary project. It has a functional, rectangular office in a two storey unit on a 1990s business park set on the outskirts of a northern town. It is a bit out of the way, but visiting this office, the sun striking a light on a promising Spring morning, you gain some sense of life within the inauspicious surroundings and dark interior. Squeezed in amidst the office basics - a couple of desks, chairs, filing cabinets, computers and telephones - a small kettle and a couple of used mugs are positioned precariously on a cabinet next to a small radio, a large poster of Matt Smith as Doctor Who looks down above one desk, and to the side a traffic light-coloured chart of tasks is stuck to the wall. There is a small dishevelled pile of leaflets advertising what Hawthorn does – 'Do you need support?' Also, dotted around the walls, are the seven Nolan principles of public life. A curious mixture; but all potentially remarkable things, laden with meaning. This is the new administrative office for Hawthorn as seen in March 2010, during a delayed meeting designed to discuss long term research participation. The research nearly doesn't happen at all. Hawthorn is in the midst of a major crisis, which most people would think would lead it to shut up shop and close down. Will it?

The crisis began a couple months before. The founding manager had been suspended on a disciplinary matter and eventually left the organisation. This was all happening on the day set aside to discuss the research. I was due to be met at the railway station, and arrived on time and ready for the reception of any discoveries worthy of being noted down. But no one came to meet me. A taxi took me to a church building where I knew Hawthorn worked, having visited it about four months previously for an interview in another project. No one was there either, other than members of the church congregation, carrying out some essential maintenance to the building. Kindly they offered me tea while I waited and tried, to no avail, to contact Clare and David, the manager and chair respectively. They even drove me round the town to two other community venues where Hawthorn works, yet again to no avail. The next day David made contact to advise that the organisation was still interested in the long term research project, but was in a bit of a crisis: could the start be delayed for a month or so to allow things to be resolved and to settle down?

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[1] 'Hawthorn' is a pseudonym designed to protect the anonymity of the organisation. All names of individuals, and some minor details in the case study, have also been changed.

Hawthorn: background and context

Hawthorn is a local family support project. Through drop-in sessions in a range of community centres and church halls, it aims to work primarily with young mothers and their children to improve their confidence and life chances. Each session runs for a couple of hours and involves a (paid) facilitator, supported by one or two volunteers, working with a small group of young women and their children, with expert input from a range of specialist professionals, such as health visitors. Hawthorn has a reputation for providing very informal support in its sessions, at times noisy and even unruly, working with some of the most disadvantaged young people; those with whom mainstream and statutory services find it hard to connect.

Hawthorn began just a few years before as a weekly volunteer-run session in a local church hall. The founder, Clare, set up the group because there was no other support provision for very young mothers in the area. It became a constituted group shortly afterwards and ran on small donations and grants to pay for refreshments, toys and room hire. It became a registered charity within a year in order to access larger sources of funding. It has eight management committee members, recruited through Clare's networks of friends and acquaintances in the town. By mid-2010, however, it is a couple of years into a five year project funded by the Big Lottery Fund, providing it with some stability. With some additional funding from the local council, Hawthorn now has an annual income of around £60K. This has enabled it to employ its first members of staff, open the small administrative office, and increase the number of weekly sessions to reach more young mothers in different locations. Clare became the project's paid manager, supported by two part-time staff - a session facilitator and an administrator – and a small group of regular volunteers. In the space of around five years, Hawthorn seems to have become a bit more structured and 'organised'. It has gained some presence in the town, and, in the lead up to the 2010 General Election, it has come to the attention of candidates from rival political parties, and has recently been nominated for a couple of awards.

Dilemmas of smallness

Some years ago Colin Rochester likened the effort involved in managing and leading a small voluntary agency to 'juggling on a unicycle' (Rochester 1999). This image captures very well the challenges of simultaneously reacting to and balancing multiple demands, with only limited

resources, time and energy. Many fledgling and small voluntary organisations experience what is known more formally as the 'liability of smallness' (Rochester 2003: 116-119). This is where small organisations can be vulnerable because they rely quite heavily on the commitment and range of skills of only a small number of people, including founder members. As a result they tend to focus on day to day tasks and activities. They have little time or space to engage with longer term strategic planning, to understand the bigger picture, and to link up with other organisations or access external support. They are less visible and well-known amongst key external stakeholders, and can thus lack legitimacy.

Some dilemmas of smallness thread through Hawthorn's crisis in early 2010. Relatively speaking the organisation is still quite new – just over five years old - and small but growing. Its staff, volunteers and trustees tend to know each other very well, and have in the main been recruited by word of mouth through the founding manager Clare. Her character, relationships and charismatic presence shape the organisation. The crisis renders these, otherwise tacit, dimensions of Hawthorn more apparent. Clare's dismissal threw Hawthorn into temporary turmoil. It tested personal and professional loyalties, with differing perspectives and strained relationships built out of longstanding friendships. Much of the essential information about running the project, including key contacts, was in Clare's head rather than written down. Yet Hawthorn was still responsible for running services and reporting to its funders. Its external reputation was in doubt, and for a while it faced the possibility of funders withdrawing. Although there was backing for Clare amongst some colleagues, volunteers and service users, the overall reaction so far appears to have been a mixture of disbelief, but also some relief from those who thought Clare's dominance might be thwarting the project's future development. With much of Hawthorn's history, records and contacts being lost in the crisis, it was described as like having to start from scratch, re-building relationships with key 'stakeholders' (funders and local authority contacts) and establishing new systems and procedures.

On organisational audits

In retrospect, it seems that Hawthorn, despite initial appearances to the contrary, had some deeper internal tensions about its operation and strategic direction. Intriguingly, a preliminary meeting with Hawthorn – an interview with Clare, David and another trustee for another study in October 2009 – didn't really pick these tensions up. Perhaps this is one benefit of longitudinal

research: the ability to come back and ask further questions about what happened since the last visit might assist in getting closer to organisational dynamics behind the gloss. What was mentioned in this initial interview, however, was a plan to have an independent organisational audit carried out on Hawthorn. It seems that trustees were concerned that Clare was not creating the systems needed and building the external relationships required for a well led and run voluntary organisation. She preferred the informal ethos and hands-on project work associated with Hawthorn's first few years, and seemed reluctant to share day to day information and to think ahead for the longer term. Hawthorn received £1000 from a local funding pot to have the audit carried out. They sought three quotes, and eventually two experienced staff from a nearby voluntary sector infrastructure organisation undertook a two-day audit.

Organisational audits – also known sometimes as reviews, health checks and diagnostics – are frameworks, tools and techniques designed to assess organisational capabilities, strengths, weaknesses and areas for improvement. There are a lot of these kinds of tools in circulation, and they seem to have proliferated in recent years. For example, research by Charities Evaluation Services found 18 current health check tools and 19 no longer in use (Ellis and Gregory 2009). In February 2010, New Philanthropy Capital published its 'Little Blue Book' guide to charity analysis (Copps and Vernon 2010). And in June 2013 a research-based 'organisational self-appraisal framework' was published from the Northern Rock Foundation Third Sector Trends study in the North East and Cumbria (Chapman and Robinson 2013).

Audits or health checks can be self-administered, or undertaken by independent experts; administered on-line or in person; they can be highly structured, with criteria, scales, scores and thresholds, or more open-form and narrative-based; they can cover all aspects of an organisation, or focus on specific areas such as governance or the organisation's ability to demonstrate the difference it makes; they can be stand-alone, or seen as a first stage of identifying needs in a longer term support process; and finally they can be linked to an organisation's general desire for performance improvement, or be part of an external assessment, selection or due diligence process, for example for a funding application or quality assessment.

In the most general terms, audits and health checks are frameworks consisting of judgements about what matters in the management, organisation and performance of voluntary organisations, and how you might measure up against them. Because they are set out in more or less clear statements as part of a structured framework, often with scales and scores, they are perhaps seen as authoritative. They aren't neutral or merely technical; they are always codified judgements about

what is important, and thus will reflect the preoccupations of their designers and perhaps also prevailing managerial norms about the functioning of voluntary organisations.

There is, it seems, a burgeoning 'market' of tools and devices, and of people brought in to use them. Overall, however, there has been rather limited research on audits and health checks in the voluntary sector. What there is has sought to describe, categorise and compare available tools, and gain some sense of how they are regarded and used by voluntary organisations (Cairns and Hutchison 2005, Ellis and Gregory 2009). What seems to have been overlooked is the role audits and health checks might play in internal organisational politics and dynamics. We can see this in Hawthorn's experience.

Auditing Hawthorn

Hawthorn's audit was carried out at the end of 2009 and reported in January 2010. The report describes Hawthorn's aim as wishing: '*to know whether an outside body considers that their organisation is 'fit for purpose' and would like guidance on how it can be made more sustainable for the future'.* The audit was based around a visit and interviews with staff, volunteers, trustees and users, as well as analysis of key documents. It was underpinned by two 'practical development tools' which 'offer direction towards best practice' – one from a local infrastructure consortium, and the other a version of the 'PQASSO' quality standard for small organisations. The audit considered four areas of Hawthorn's operations: organisational development, governance, managing people, and funding and financial management. It used a traffic light system to identify actions requiring immediate attention (Red), those requiring action as soon as possible and within 6 months (Amber) and those actions to be planned for the longer term (Green). The result is a sense of urgency in the tasks ahead for Hawthorn: 16 out of 42 core headings across the four categories need immediate attention, such as, 'Create a strategic plan for the organisation', 'Draw up a detailed expenditure plan with detailed budget headings' and '…record numbers of those in attendance at every session and identify who are different from other sessions'. A further 22 tasks require action within six months. Based on this analysis, the audit report concludes that Hawthorn: *'seems to be a well thought-of organisation and the unique benefits it provides are valued. It fosters a welcoming and safe environment for vulnerable adults and children'.* However, it has a very clear recommendation: '*To ensure its sustainability into the future, the policies and processes of* [Hawthorn] *need to be formalised and the organisation must work towards a more business-like model'.*

The idea for the organisational audit is pre-figured in the preliminary interview in 2009. David notes that Hawthorn has got some funding for a governance health check: *"We're being realistic, and not in denial about our organisation. Are we fit for purpose? We'll commission the work independently, with a remit to deliver an action plan, so we know that our internal controls are strong for us to bid for funding next time. We have an aspiration to be the best or among the best…It is about getting from A to B. It is part of the journey we are travelling…."*

Although not so evident at the time, we can see in retrospect that the audit or health check was part of an ongoing conflict at the heart of Hawthorn. David was recruited by Clare to become a trustee partly because they'd known each other for many years, but also because he brought considerable experience from working with a range of third sector organisations, including large housing associations. He quickly saw the risk for Hawthorn of being held together in one person's, Clare's, head: *"within six weeks it had become very clear that this was like some kind of organisation that had no internal controls, very few policies, procedures, it was all in someone's head".*

Shortly after joining the board of trustees he became Chair. He thought Hawthorn needed to be more professional:

"if I was going to be the Chair and put my name to an organisation it had to be done a lot more professional than it was being done…when we had our one-to-one supervision all of a sudden [Clare] *had gone from being the total boss who has just run it how she wanted with lots of flexibility, to somebody where she had to become accountable, and that was a big step change."*

Clare resisted this development by arguing that Hawthorn was too small for such formality: *"it was quite a struggle and there were lots of discussions around that we weren't really big enough to have written reports to Trustees".* David recalls how there was a growing rift in the organisation over its operation and performance, and this is how the organisational audit came to be arranged:

"there was a clear conflict developing between my views and [Clare's]...*My view was the organisation really needed to get itself bedded down in firm policies, procedures and internal controls and* [Clare] *thought that it was not necessary, they were fine…the Trustees were unsure because* [Clare] *had floated the idea that it was OK what I was saying, but that was in*

a multi-million pound Housing Association and this is a small charity and she said I was over egging the pudding and my expectations were too high".

Here we have two contrasting and conflicting conceptions of Hawthorn: a perspective put forward by founding manager Clare emphasising its origins, size and informality, and one from David stressing appropriate governance and accountability mechanisms. The other trustees were caught in a dilemma as they were loyal to Clare: *"so my proposal was 'don't go on what I say, lets pay £1,000 and get somebody in who was independent, who understood the sector, the third sector not just the Housing Association and let's see what they say….And the audit came back virtually as I expected it to."*

The aim was to have an action plan to put the organisation on a sounder footing, but also to regard it as a framework for the manager's work: *"the idea was that this would almost be an independent work plan for* [Clare] *and then if she hadn't delivered that, well at that point I was proposing to actually start broaching: is* [Clare] *the right manager for the organisation".* In the event this did not arise - Clare left Hawthorn for other reasons following a disciplinary investigation. The final audit report has also been used as a reassurance device with funders. With Hawthorn's reputation and funding in jeopardy as a result of the crisis, David met with the local authority to try to restore Hawthorn's credibility:

"I just asked the Council to just bear with us… we've acknowledged that we need to ramp the organisation up to being more accountable... they were surprised and shocked…we offered them the audit report and we said 'look, this is an independent audit report, it's not particularly good reading, there's lots of improvements in there and as one of our funders we want to share it with you'. And they seemed to be reassured".

'The boss'

Existing research on health checks and diagnostic tools focuses primarily on mapping the range of tools, their content and manifest purposes, rather than examining the sometimes contested dynamics of their implementation in real settings: what they mean, how they are used, and with what consequences. Hawthorn's case shows how an apparently independent and neutral audit process, based around a seemingly impartial framework of organisational competences and

performance, was used as a means to resolve a more fundamental dispute about the organisation. It became a player in a contested field of relationships and power dynamics, in this case between the Chair and the Manager.

We have seen a snapshot of Hawthorn in late 2009 and early 2010. Through this lens we have looked back at its origins, and more recent dilemmas, in order to understand a little better the 'here' and 'now'. Some interesting parallel timelines are working through Hawthorn. Because it is a relatively new and growing organisation, some might see a potential 'life course' timeline, with Hawthorn experiencing growing pains in moving, with some difficulty, beyond infancy. The crisis involving the founding manager lends itself to a sense of immediacy and fast-moving developments. Yet because it is part way through a significant five year grant, it may be somewhat sheltered from wider austerity measures, and has some time to play with before having to seek new resources. Within this, David is trying to lead a slower and longer term process of formalisation and professionalisation:

"I think the groundwork has been done and I think potentially we could get away with some of the short comings in the past….that's where I want to be by the end of the year, which will be a completely different organisation, a fresh new start and that kind of professionalism will be seen by our stakeholders, which I think then by the end of the following year we really would be in a good position to have the data, have a proven track record of delivering quality services, to go and get more funding".

In Spring 2010 Hawthorn was emerging from a crisis. How will it develop from then? Will it be able to recruit a new manager? Will the organisation become stronger and in a better position, providing effective family support and making a difference? Clare's departure was evidently a shock to Hawthorn, but the bigger picture has perhaps been a struggle to formalise the organisation. The recommendations from the organisational audit report have formed the basis for the initial work-plan for the new manager in the months ahead. These are presented in traffic light form (and are pinned to the wall at the side of the desk), adjacent to Doctor Who. Elsewhere in the office, there is a rack of named in-trays for the staff and trustees, for post and memos. One of these is for David, the Chair. Someone evidently has a sense of humour, as it is labelled simply, 'The Boss!'

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