

The Governance of Small Voluntary Organisations

This exploratory study, carried out by the Institute for Voluntary Action Research (IVAR) and the Institute for Volunteering Research (IVR), aimed to explore the governance challenges facing small voluntary and community organisations (VCOs). We interviewed the Chair or Vice Chair of six organisations and three City Bridge Trust (CBT) consultants. In this report we use 'small' to describe organisations with an annual income of no more than £50,000; 'governance' refers to 'the process of overseeing an organisation'.ⁱ

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Background and aims

Research indicates a range of ways in which organisational size can influence the implementation of governance in VCOs, for example:

Commitment and recruitment

Members of governing bodies of small organisations are likely to devote more than 50 days a year to their role, while trustees of larger organisations tend to spend 11 to 20 days.ⁱⁱ This means small organisations need to recruit trustees who have the necessary time and resources to meet the demands of the role.

Strategic vs operational roles

Trustees of small organisations are more likely to find themselves involved in day-to-day operational matters than their counterparts in larger VCOs.ⁱⁱⁱ This dual role may inhibit their ability to stand back and take a strategic overview of the organisation.^{iv}

The 'liability of smallness'

Many small organisations place a heavy dependence on a small cohort of key people who often 'tend to "do everything" from driving the minibus or emptying the dustbins to writing grant applications and lobbying the local authority'.^v In such cases the loss of a single person may have a major impact.

Our own previous research^{vi} suggests that support for governance, especially in smaller organisations, needs to be provided in the context of the organisation as a whole rather than focusing specifically on the work carried out by trustees. It also shows that smaller organisations prefer locally based support and opportunities to network with peers.

However, small VCOs can face a number of barriers in accessing governance support, including a lack of available resources to invest in development needs; limited awareness of the support available; and not perceiving support to be of value or relevant to their needs.^{vii} Consequently, small organisations may require more *tailored* support than is generally available.

The six organisations we spoke to had received funding and capacity building support through the City Bridge Trust's Improving Services for Older People (ISOP) programme. All organisations were based in London and ran a range of social activities. Two of the six had no paid staff, the rest employed part-time staff. The organisations had management committees of between four and fourteen people.

Interviewees were asked about the roles and responsibilities of the governing body, internal organisational relationships, recruiting and retaining trustees, challenges of governance and the support available for governance. CBT consultants were asked about the support they offered, the relationship between the size of organisations and the challenges faced, and their opinion of support for governance in small organisations.

Key findings

The key findings from our interviews are outlined below, with anonymised quotes presented in italics.

Distinctiveness of governance in small organisations

- Governance was not confined to those named as trustees, but dispersed among a wider group of people: *'It's hard to separate it as they're so much part of the group and how it runs.'*
- There were blurred boundaries and close relationships between trustees, members and paid staff: *'If there's no staff, all the problems are traced back to governance because it's only the committee that does things.'*
- Trustees were heavily involved in operational as well as strategic matters and often present at activities, frequently providing more than an oversight role - for example, involved in food preparation or on hand to speak to members: *'People are more familiar with this way of working; they get caught up in the here and now stuff.'*
- Trustees were incredibly passionate about their organisations; they had committed vast amounts of time and energy, both to the organisations and their members.

Challenges of governance in small organisations

- Dependence on the commitment of a small number of people (who usually performed multiple roles) meant organisations were vulnerable to loss of key individuals: *'If they ever leave or retire, the whole organisation is thrown into crisis because there's no one left behind that can do it.'*
- Trustee involvement in operational activities made it difficult for organisations to devote attention to planning and finding ways to enhance their sustainability: *'Nobody is thinking about the future or anything very strategic, about development or growth.'*
- Chairs did not consider their way of operating to be problematic; issues that CBT consultants considered to be challenges were not necessarily viewed as such by the organisations themselves. It may be that the informality and flexibility of Chairs and other trustees help contribute to organisations' survival.
- Both Chairs and CBT consultants described recruitment of trustees as difficult. The fact that trustees of small organisations are often required to play a big role in the day-to-day operational activities was seen as a disincentive: *'They don't just turn up four to six times a year and sit and listen to reports, they have to do things.'*

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Support needs for governance in small organisations

- Both Chairs and CBT consultants highlighted the importance of one-to-one support, often provided in short sessions over a period of several months.
- Chairs spoke positively about the support provided by CBT consultants; they welcomed the fact that the support was tailor-made to their own circumstances. Consultants had helped organisations to clarify the actions they needed to take and see the way ahead more clearly: *'She helped us quantify the work we're producing; helped us really appreciate what we're doing.'*
- Chairs did not feel that there were major gaps in the support available to them, although they would welcome training to develop their skills in a range of areas such as preparation of funding applications, business planning and ICT training.
- CBT consultants suggested that small organisations are often either unaware of the support available, because of a lack of networking capacity, or do not have the capacity to make use of it: *'When you have staff you can cope, but when you are very small these toolkits are very hard to read and absorb.'*
- It was also suggested that trustees may not recognise their support needs because they are not aware of their responsibilities as trustees: *'Sometimes they're trustees and they don't know it.'*

Next steps

This exploratory study of the governance challenges facing small organisations has highlighted their potential vulnerability to loss of key people or funding sources and underlined the importance of flexible and bespoke support. It has also revealed small organisations' ability to survive and to provide valuable services in a difficult and competitive operating environment.

Further research in this area might usefully explore the factors that enable this kind of resilience and the relationship between governance and organisational effectiveness. In considering a future study it might be useful to broaden the range of organisations covered, for example: operating in different fields of work or with different user groups; with a member of paid staff in a management role or with different board sizes.

References

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