

Values and the Voluntary Sector:

**A Study of the Role of Values in the Management of
Irish Voluntary Organisations**

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For Conor and Kara

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I, Pauline Connolly, declare that this thesis submitted by me in partial fulfillment of the requirement for the degree of Ph.D., is entirely my own work except where otherwise accredited. It has not at any time either whole or in part, been submitted for any other educational award.

[Candidate's signature]

Pauline Connolly

13/8/03.

[Candidate's name, date]

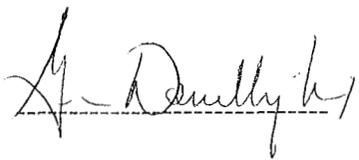
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We have assessed the knowledge, skill and competence of the candidate Pauline Connolly by way of viva voce examination using this thesis, submitted in partial fulfillment of the requirement for the degree Ph.D., as evidence and find that it meets with the standard determined by the Higher Education and Training Awards Council. We recommend that the degree Ph.D. be awarded.



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13/08/2003



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13/08/2003.

Values and the Voluntary Sector:

A Study of the Role of Values in the Management Practices of Irish Voluntary Organisations

Pauline Connolly

Abstract

The aim of this thesis is to explore the relationship between values and management practices in the voluntary sector in Ireland. From this objective several research questions arise. Firstly, the study will identify what values are important to managers of Irish voluntary organisations. Secondly, the study will explore how these stated values translate into the practice of management in Irish voluntary organisations.

In order to achieve richness and comprehensiveness of data, this study uses an approach called triangulation (Denzin and Lincoln 1994), which means that both quantitative and qualitative data are used.

The starting point in this thesis is to address the definitional problem, as there are many different terms that describe the non-profit sector, not only in the literature, but also in common usage. Although there is no agreement on terms, there is a consensus, however, in the literature that values are the non-profit sector's most distinguishing characteristic.

This research demonstrates the significant impact that values have on many aspects of management practices in voluntary organisations. While overall, values are seen to play a very positive role in the management practices of voluntary organisations, at times, these values can have unrealised and perhaps, undesirable consequences.

This thesis argues for a close scrutiny of organisational values and a rebalancing of organisational style toward more of a task focus to take into account the increasing demands for accountability and to ensure the continued survival of the voluntary sector.

Part One

Preamble

The author has worked in voluntary organisations in Ireland as a volunteer, in England as a staff member and in Australia as a Director in a large non-profit social welfare organisation. This research draws on all the experiences from those organisations, but it was primarily initiated as a result of working in the voluntary organisation in Sydney. During that period the organisation was facing many changes and challenges both in the external and internal environment.

In the 1990s the agency expanded rapidly: staff numbers doubled and became more professional, the organisation spread geographically, and the range and number of programmes increased continually. This expansion resulted in significant debates on the future and direction of the agency and necessitated difficult decisions at a leadership level. The issue of values emerged frequently during these discussions and was to remain a constant feature of the decision-making process. For example, in this increasingly professionalised agency, the issue of pay and awards for staff, the provision of cars for the directors, how and where funds should be raised, all become very contentious issues. The difficulty in reaching agreement often could be traced to a clash of values, to aligning the mission of the organisation with the management practices of the organisation. Paton (1996) has neatly summarised these value conflicts as,

‘An organisational conflict which reflects emergent or unresolved tensions concerning the implications of a commitment central to the identity or mission of an organisation, or between two such commitments, where such tensions are perceived to have a clear ethical dimension’ (1996: 31).

Turning to the management literature for guidance on how to deal with these problems, the author discovered that writers dealt almost exclusively with the private and public sector. While some of the generic concepts were applicable to the agency in question, the language and the environment in which they were discussed were very alien to the non-

profit world. Concepts that dominated contemporary management thinking such as performance- based pay, market share, and pricing strategy seemed to hold little relevance for the problems that a non-profit organisation was facing.

On the other hand, the literature that was available on the non-profit sector concerned itself mostly with management at board level whereas the author was interested in executive management. This paucity of literature was of interest in itself, but it also led to reflections about what made management in the non-profit sector different from other sectors. Upon returning to Ireland the opportunity arose to pursue this interest further.

The aim of this thesis is to explore the role of values in the management practices of voluntary organisations. Essentially, I will argue that values are the mainstay of voluntary organisations and that they are reflected in all aspects of management practice. Chapter 2 will consider the different theorists' approach to values, but for now the Concise Oxford Dictionary definition of a value is a useful starting point:

‘One’s judgements of what is valuable and important in life’ (1995).

The following research questions will be addressed: firstly, what values are important to managers of voluntary organisations in Ireland, and secondly, how do these stated values translate into the practice of management in Irish voluntary organisations? The literature on the non-profit sector assumes that values are inherently beneficial for the management of non-profit organisations. Indeed some theorists, (Salamon *et al.* 1999) warn that the non-profit sector in the developed world is facing a crisis of legitimacy due to it losing touch with its core values. This thesis will argue that values may have consequences that often are invisible or unrealised, and that are not necessarily beneficial for voluntary organisations.

A combined approach to data collection, called triangulation (Denzin and Lincoln 1994) was used. The objective in accessing data from more than one source is to achieve comprehensiveness and richness of data. This study collected both quantitative and qualitative data. To identify what values are important to voluntary sector managers, the

Schwartz Value Survey was used (Schwartz 1992). A written survey questionnaire collected this data along with other information pertinent to management practices in voluntary organisations. Using a Statistical Package for Social Scientists (SPSS), this data was analysed and the main themes extracted from it formed the basis for the second phase of data collection.

These main themes formed the basis for the follow-up interviews with 20 of the survey participants, and later were to form the basis for analysis in the findings chapters. To give richness to the quantitative data these in-depth interviews were needed to fully understand the degree to which managers' values translated into the practice of management in voluntary organisations. The themes that emerged were management style, performance management and motivation, human resource strategies, and strategic planning. In contrasting stated values with practices some interesting tensions were revealed.

While pursuing the research for this thesis, papers were presented at a number of academic forums. Three seminars were presented at the National College of Ireland, one seminar was presented at Trinity College Dublin and two presentations were made to the European PhD Network on Third Sector Research. The helpful comments that were received from participants were integrated into this work. Two working papers from the thesis are also on the research web site of the National College of Ireland.

Chapter 1

What is the Non-profit Sector?

1.0 Introduction

The non-profit sector is an untidy amalgamation of organisations that, so far, has defied neat definition. The breadth of its scope is enormous, quite literally covering a spectrum of services from the cradle to the grave. Non-profit organisations provide services to the disadvantaged, to the destitute, to people with disabilities, to families in trouble or under stress and to the elderly. They provide educational services, health services, medical services and mental health services. Animal welfare services, environmental protection groups, community action groups, and self-help groups are further examples of some of the areas that it encompasses.

This chapter will attempt to answer the question, what is the non-profit sector. To do this, firstly the vexed but important question of defining the non-profit sector needs to be explored. The question of definition leads into an exploration of classifications and typologies. The legal situation and, finally, how the boundaries of the sector connect with the other sectors in Irish society will be discussed. Having arrived at an understanding of the parameters of the non-profit sector, its main characteristics will be explored in order to determine what distinguishes the non-profit sector from the private and public sector, and furthermore, to establish why it is worthy of study. The research questions for this study will be set out and, finally, an overview of the thesis will conclude the chapter.

1.1 Definitional issues

This study focuses on values and management practices in the Irish voluntary sector. Trying to identify precisely what constitutes the voluntary sector is not straightforward, as there are many different terms that describe the sector in common usage. For example, the welfare agency in which the author was employed in Australia defined itself as a private, non-profit organisation. Previously, the author had worked in England where non-profit organisations were typically referred to as charities. Returning to Ireland, the author found that the term voluntary sector is most commonly used although some voluntary organisations, such as Trocaire, are referred to as charities. Another example is the Irish Charities Tax Reform Group, an organisation that has about 60 members, with the objective of achieving tax reform in favour of the charity and voluntary sector. The author prefers the term voluntary organisation as it portrays a more positive image than the slightly negative term, non-profit organisation.

This confusion over terms in use is reflected in the literature and it soon became apparent that muddy waters surround the definitional issue. In fact, Anheier and Knapp (1990) refer to the 'terminological tempest' that surrounds the definitional question, which has yet to be resolved by researchers in the field (1990: 3). In attempts to define and classify the non-profit sector it is hardly surprising that the confusing array of organisations under this umbrella has caused difficulties for scholars.

Internationally, there is no consensus on a definition of the non-profit sector. Different terms such as third sector, independent sector, non-statutory sector, and voluntary sector are in use, sometimes interchangeably, in different countries. The charitable sector is often used in England to describe those organisations eligible for charity registration, while overseas aid agencies are generally referred to as NGO's (non-governmental organisations). The 'non-profit sector' or 'not-for profit organisations' are terms originating in the United States to describe those organisations that exist between the market and the state that do not redistribute profit to their members.

O'Neill and Young (1988) define a non-profit organisation as 'an organisation whose goal is something other than earning a profit for its owners.' (1988:49). In contrast, Seibel and Anheier (1990) point out that 'few countries use the American term "non-profit sector" to describe the set of organisations located between the private, for-profit, and the public sectors' (1990: 1). To facilitate international comparisons, Seibel and Anheier adopted the term 'third sector' to designate all organisations, which are not profit-oriented, government agencies, nor bureaucracies. Seibel and Anheier's (1990) use of the terms, non-profit and third sector, excludes the statutory sector whilst O'Neill and Young's definition, referred to above, includes the state sector. Some American writers (Hall 1987: 133, Hodgkinson and Weitzman 1984: 11) use the term 'private non-profit' to distinguish between government and other non-profit organisations.

1.1.1 Terms in use in Ireland

While the non-profit sector was the subject of enquiry in the Johns Hopkins Comparative Research Project (see Donoghue *et al.* 1999, Salaman *et al.* 1999), the voluntary and community sector is the term most commonly used to describe this sector in Ireland (Ruddle and Donoghue 1995, Hayes 1996, Donoghue 1998, Williamson 1998, Donnelly-Cox and Jaffro, 1999). The Irish Government used the term community and voluntary sector in its White Paper on the Community and Voluntary Sector and its Relationship with the State (Department of Social, Community and Family Affairs, 2000) but, unfortunately, shied away from a definition, although acknowledging some of the components of the debate. The White Paper conceived of the community and voluntary sector as being at different ends of a continuum.

"The voluntary sector is the larger of the two, with a focus often on service delivery and a greater reliance on charitable donations and fund raising...Community sector groups tend, on the other hand, to be smaller in scale and focus on response to issues within a given community... and often with a social inclusion ethos" (2000: 48).

This brings us back to the definitional issue yet again. Whilst the government distinguishes between the voluntary and community sector, the lack of a definition in the White Paper does not bring any clarity to the use of the terms.

Donoghue *et al.* (1999) used the term “voluntary and community sector” to denote a subgroup of the non-profit sector. They indicate that this term is gaining wider usage as it recognises the stronger role of community organisations. Although Donoghue *et al.* (1999) provided separate data for both the non-profit sector and voluntary and community sector, they noted that the latter has not been formally defined.

1.1.2 A definition for this study

For research purposes, Salamon and Anheier’s (1997) Structural/Operational definition is, perhaps, the most useful as it covers the structure of organisations as well as their operational features. Under this definition five criteria apply to non-profit organisations. Firstly, such organisations are organised entities indicating that they possess institutional qualities. They are also private, meaning that they are separate from government. They are non-profit distributing organisations as profits are returned to the organisation, not to individuals. Furthermore, they are self-governing in that they are in charge of their own affairs, and lastly, they are voluntary, meaning that participation is not required and that there is volunteer involvement to some ‘meaningful’ degree (Salamon and Anheier 1997: 1).

This definition has the benefit of clearly identifying the boundaries of the sector whilst leaving it broad enough to encompass the sector’s complexities. It has the added advantage of being used by other scholars in the field. Hayes (1996), Donoghue (1998) and Donoghue *et al.* (1999) adopted it for their research into the non-profit sector in Ireland.

It is interesting to note that a working group in the field of mental handicap from the Department of Health in Ireland has defined voluntary organisations in a similar manner to the structural/operational definition.

‘Voluntary organisations can be defined as formal organisations that are non-statutory, self-governing, non-profit making, of benefit to the public and use volunteers to a greater or lesser extent. The voluntary sector encompasses a myriad of small and often loosely organised groups as well as large highly professional agencies. Some of the voluntary organisations are owned and operated by religious orders, others are incorporated by charter or statute’ (Department of Health 1997: 18).

The structural/operational definition is used for the purposes of the study presented in this thesis. The terms, voluntary sector and non-profit sector, are used in this thesis interchangeably.

1.1.3 Further definitional issues

Settling on a workable definition and determining the terms to be used, however, still does not adequately address all of the methodological issues that arose in the data collection phase. The author was primarily interested in investigating the values and management practices of non-profit social service agencies. In Ireland, the non-profit sector includes schools, hospitals, and third level educational institutions. As these institutions are large, generally have secure funding, and are bureaucratic type organisations, their values may differ from voluntary social service organisations and thus would skew the findings of any sample. The author determined to focus on the voluntary and community sector that Donoghue *et al.* (1999) provided separate data for, as a sub-set of the Irish non-profit sector. Further discussion of the sample is returned to in Chapter 4.

1.2 Classification of the Sector

As we have seen in the preceding section, the non-profit sector does not lend itself to a tidy definition. If defining the sector is difficult, the complexity, range and scope of voluntary sector organisations make their classification even more difficult.

Classification is used in the physical sciences, particularly in the field of biology to understand and explain the different species in the world. Organisational theorists

followed this example by attempting to group organisations into categories. Different writers have developed a myriad of ways to achieve this. McKelvey (1975: 511) summed up the situation as follows: ‘the problem is that there are countless ways of grouping organisations, and therefore almost any taxonomy can be supported by pointing out these groupings’ (quoted in Hayes 1996).

Similar difficulties exist in the classification of voluntary organisations. The Wolfenden Committee (1978) found that “different patterns of classification were useful for different purposes” (1978: 12). Thus, voluntary organisations have been classified according to a function such as self-help or caring (Eisenberg 1983, Gatewood and Lahiff 1977), or according to their purpose (Smith *et al.* 1980), or the geographic spread of their operations (Johnson 1978). While different authors have devised different classificatory systems, it is an indication of the complexity and scope of the sector, that no single definition or classification has been adopted for research purposes.

One of the most functional economic classifications is the International Classification of Non-profit Organisations (ICNPO) (Salamon and Anheier 1996) comprising 12 categories of activity, subdivided into 22 sub-groupings, (refer to Appendix 1 for the details). The ICNPO was developed from the International Standard Industrial Classification system (ISIC) to enable categorisation across countries. This classification is useful, as not only does it facilitate comparisons between countries, but it also shows the breadth and scope of non-profit activities.

The sample used in this current research is a list of voluntary health and social service agencies funded by the then Eastern Health Board in 1999-2000. Referring to the ICNPO classification, it would seem that this sample of organisations should fall into Group 3 Health, and Group 4 Social Services. In fact, the organisations on that database span eight categories, Group 1: Culture and Recreation, Group 2: Education and Research, Group 3: Health, Group 4: Social Services, Group 6: Development and Housing, Group 7: Law, Advocacy and Politics, Group 8: Philanthropic Intermediaries, and Promotion of Voluntarism and Group 9: International.

This leads us to question why the Health Board funded such a variety of organisations. One of the explanations is to be found in the lack of clarity around the wording of the 1953 Health Act. Section 65 of that legislation states that organisations may be funded to provide services ‘that are similar or ancillary to’ those provided by the statutory authorities. As Donoghue (2002) has noted, the terms ‘similar or ancillary to’, have never been defined, thus leaving the way open for a variety of interpretations.

While the INCPO classification is useful in that it arranges organisations according to function, nevertheless, even in the context of the current study, the sample of health and social service organisations spanned most of the INCPO categories. This anomaly highlights once again the importance of terminology, and that the use of common definitions are not mere academic considerations. They may have policy implications, and hence an impact on practice. The Irish government’s failure to clearly define the basis for funding health and social service organisations has led to a lack of coherence in decision-making and resulted in a wide plethora of organisations being funded under the legislation (Donoghue 2002). The funding of the non-profit sector will be explored in more detail in Chapter 2.

1.3 Typologies of the Sector

The preceding section dealt with the inherent difficulties in trying to classify the sector. In the Irish context, Donnelly-Cox and O’Regan (1998) have classified the voluntary sector according to three organisational types in terms of whether they are newly formed organisations, established organisations, or whether they are traditional, deeply embedded organisations. The relevance of this classification for this research is that it includes an historical dimension that demonstrates that some organisations evolve from previous types. For example, some organisations in this study started life as small, self-help organisations. Over time they changed and developed into professional, national social service and advocacy agencies. The majority of organisations in the sample for the

current study fall into the third category, traditional, deeply-embedded voluntary organisations.

Donnelly-Cox and O'Regan, in their typology, also used key resources as a basis for distinguishing between voluntary organisations in Ireland. Legitimacy was identified as one of the necessary resources that voluntary organisations need for survival. Moral legitimacy is achieved when members of society accept a need as 'good' and the organisation is supported to provide for that need. Legal legitimacy refers to the right to exist and to provide services as a voluntary organisation within the legal framework of a democracy. Political legitimacy refers to the power of elected representatives to support a cause or an organisation (Donnelly-Cox and O'Regan 1998: 10-11).

According to Donnelly-Cox and O'Regan, the newly emerging organisation relies on volunteers, FAS trainees¹ and paid staff to run the organisation. These new organisations enjoy moral, legal and political legitimacy. The second type, the established organisation relies on volunteers, paid staff, FAS trainees as well as professionals. Moral, political, and administrative legitimacy is attributed to these organisations. The third type, the traditional organisation, only employs professionals and paid staff and the organisation enjoys administrative, moral and political legitimacy.

This typology is interesting as it focuses on the relationship between organisations and the environment in which they operate. It also draws attention to the concept of movement and change over time. As organisations grow, their resource needs increase and they become a different organisational 'type'. Although Donnelly-Cox and O'Regan acknowledge that the typology does not totally cater for the complexity and range of organisations in Ireland, it has relevance for this study because of the different organisational types that the sample covered.

¹ FAS is a state training authority which aims to develop workplace skills in the unemployed. Trainees are paid a training wage while they are on placement with an organisation.

1.4 The Boundaries of the Sector

With no agreement on a precise definition or classification, the boundaries of the sector are equally unclear. Salamon and Anheier (1992) comment that the non-profit sector is poorly understood because ‘the concepts used to depict its boundaries are so murky and imprecise’ (1992: 1).

At a basic level, there are three sectors to which organisations belong, the business or for-profit sector, the statutory sector, and the non-profit or voluntary sector. The for-profit sector operates in the commercial world and may vary from a one-person enterprise to a large multinational. This sector is characterised by the common objective of profit generation and the distribution of wealth to its shareholders. The statutory sector refers to all levels of government, the public service, and civil service. It exists to carry out the decisions of elected representatives and to provide services to the wider community. Caudie and Gorr (1991) believe that the public sector is characterised by bureaucratic structures and may have ‘multiple, conflicting and often intangible goals’ (1991: 171). The non-profit sector refers to those organisations that are neither private nor state. Health and welfare organisations predominate (Salamon *et al.* 1998) and they usually have an ethos of service for marginalised or disadvantaged people or they have a mission of social change to improve the world in which we live.

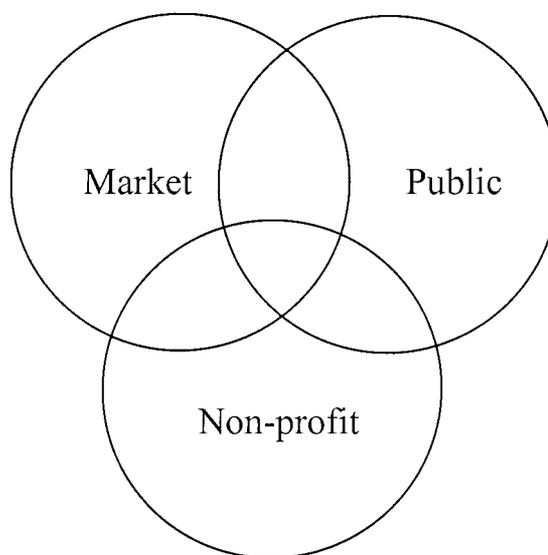
1.4.1 Sectoral overlap

While these three sectors can be separately defined, in reality there is considerable overlap between their boundaries. In a recent address on civil society, Lord Dahrendorf² drew attention to the relationship between the sectors and characterised the relationship as one of overlapping circles (see diagram one overleaf). Lord Dahrendorf pointed out that all three sectors encroach on the others’ territory while still maintaining a significant

² ‘Civil Society Research: What are the issues?’ A speech to the European Network for Third Sector Research, 23/02/02.

degree of independence. In the United States in particular, he noted, there is a small but growing intersection of the three sectors.

Figure 1



In Ireland, an example of this overlap between the sectors can be seen in the area of child-care provision. More women than ever before are in the workforce even when they have young families. This has led to an increase in demand for child-care that is not being met by either the voluntary sector or public sector. Both the voluntary and statutory sectors provide child-care but it is typically for low-income, disadvantaged families. The market sector recognised the opportunity to make a profit and is now a significant provider of child-care places.

In Ireland, the main boundary overlap is between the public sector and voluntary sector insofar as the state is the main source of revenue for the non-profit sector (Donoghue 1999). Salamon (1996) contends that one of the possible consequences of increasing overlap of the

voluntary sector by the market and statutory sector could lead to the voluntary sector becoming too bureaucratic and professionalised. As already noted, this Salamon argues, could result in the voluntary sector losing touch with its values, resulting in a crisis of legitimacy.

1.5 Legal issues

Having considered the main issues in relation to the definition and classification of the sector, it is now appropriate to further this contextual approach to understanding the voluntary sector by a brief look at the legal situation. The question of legal legitimacy raised in the preceding section is interesting in relation to the voluntary sector as the confusing nature of the legal base of voluntary organisations adds to the complexity.

Despite the significant contribution voluntary organisations make to Irish society, as a sector it is highly unregulated and subject to very few legal constraints. Salamon and Anheier (1994) posit that ‘one reason for the lack of awareness of non-profit organisations in many countries is the legal limbo in which these organisations are forced to operate’ (Salamon and Anheier 1994: 100). As already noted, Donnelly-Cox and O’Regan (1998) refer to ‘legal legitimacy’ as a prerequisite for voluntary sector organisations to exist. In making sense of the confusing array of organisational forms and differing legal status of the agencies involved Donoghue (1998), drawing on the work of Cousins (1994), provides a valuable outline of the legal status of charities, (see Table 1 overleaf).

In Ireland, a charity has legal status if it is either a company limited by guarantee, an industrial or provident society, or it is incorporated under the Charities Act, 1973. Other organisational forms such as trusts, friendly societies or unincorporated charities have no legal personalities, which means that each member is individually responsible should the organisation cease to exist or go bankrupt.

Table 1: The Tax and Legal Status of Voluntary Organisations in Ireland

Type	Tax Status	Legal Status	Examples
Charities and Charitable Trusts	Various exemptions available	No separate legal status for the organisation unless incorporated under the Charities Act 1973 or registered as limited companies.	Hospitals, schools, sporting bodies, community-based organisations, partnership companies, social service organisations.
Friendly Societies	Some exemptions available	No separate legal status for the organisation except for industrial and provident societies.	Benevolent societies, credit unions, trade unions, agricultural societies, industrial and provident societies.
Community Sector	If organisations hold a charity number	If organisations registered as company limited by guarantee.	Partnership companies, community development organisations.

(Donoghue 1998:12)

1.5.1 Charity numbers

The Revenue Commissioners may grant a charity number to an organisation but this only exempts the organisation from certain taxes. It does not confer legal status. To be considered eligible for a charity number, applications are examined by the Revenue Commissioners to determine whether the body concerned is engaged in one or more of the following activities; relief of poverty, advancement of education, advancement of religion, other works of a charitable nature beneficial to the community. The Revenue Commissioners advise, however, that not all activities that benefit the community are charitable for tax purposes. For example, clubs that exist for social and recreational purposes are not accepted as being charitable for tax exemption purposes.

To date, there are over 5000 organisations with charity numbers on the Revenue Commissioners list. The growing community sector is the largest single group to have been granted charitable numbers in recent years. This brings us back to definitions once again, as we noted earlier that the Government conceives of community groups as being at the opposite end of the continuum from voluntary groups. When a charity is granted a charity number for tax exemption purposes, they can then apply to the Commissioners of Charitable Donations and Bequests to be granted legal status under the Charities Act 1973. As only about 25 organisations have used this route to legal recognition to date, charities obviously do not consider this a very effective or beneficial process.

1.5.2 Regulation of voluntary organisations

As discussed above, unless voluntary organisations are incorporated under the Charities Act 1973, or they are a company limited by guarantee, they have no legal status.

Furthermore, the only legislation to regulate fundraising in Ireland is the Gaming and Lotteries Act, 1956 and the Street and House-to-House Collection Act, 1962. To apply for a licence under the Gaming and Lotteries Act, the lottery must be for ‘some charitable or philanthropic purpose’ (Section 28) and ‘the permit-holder shall derive no personal benefit from the lottery’ (Section 27).

Under Section 23 of the Street and House-to-House Collections Act, 1962, a chief superintendent of the Gardai Síochána (Irish Police Force) may make an application to the circuit court to inspect the accounts of the person to whom the permit was granted in relation to the collection. In addition, the person holding the permit may also be required to make a statement showing the total amount collected and how the money was disposed of. In reality, according to the Gardai³, this option is rarely, if ever, exercised.

Furthermore, under Section 2 of the Act, religious denominations and charities are exempt from this regulation.

³ Personal communication, March 2003

In 1990, a committee set up by the Minister for Justice to examine the situation in relation to the regulation of fundraising recommended that a system be established to regulate all organisations raising funds for charitable purposes. The White Paper (2000) also acknowledged that legislation was needed to regulate the sector, but to date, while responsibility has passed from the Department of Justice to the Department of Social, Community and Family Affairs, and, since mid-2002 to the Department of the Gaeltacht, Rural and Community Affairs Community, there has been no progress in this area. The Irish Law Society's Law Reform committee published a lengthy report in 2002 recommending the establishment of an independent statutory body, under the aegis of a Minister for Charities, to regulate the voluntary sector. Boyle and Butler (2003) in their report also drew attention to the lack of regulation and accountability in the government funding of the voluntary and community sector.

One explanation for the lack of regulation of voluntary organisations relates to the myth of 'goodness' that Donnelly-Cox and Jaffro (1999: 10) suggest surrounds the non-profit sector in Ireland. They argue that the dominant religious ethos of Catholicism, with its emphasis on a duty to be charitable, combined with the myth of the trustworthiness of the sector reduces the need for regulation.

'Corresponding to this is a widespread belief that voluntary-sector work should not be highly formalised, nor should it place employment-type constraints on those who volunteer. Such controls are not necessary in 'good' organisations and the most vulnerable can be entrusted to their care' (Donnelly-Cox and Jaffro 1999: 11).

1.6 Distinguishing characteristics of the non-profit sector

What has emerged from the discussion so far is that while the non-profit sector may be difficult to define, nevertheless the organisations that comprise the sector are different from either the market or public sector. For a start, they do not have any clear legal status nor are they subject to adequate controls or regulation. We will now take a closer

look to determine exactly what distinguishes the non-profit sector from the private or public sector.

There are many perspectives and views in the literature to explain the differences between the non-profit sector and the market and public sector. Some writers have compared the non-profit sector to the private sector whilst others have highlighted the differences between the non-profit sector and the public sector. Others have simply concentrated on the distinctive aspects of the non-profit sector.

1.6.1 Non-profit sector and the private sector

With regard to the differences between the non-profit sector and the private sector, Drucker (1973), a leading management theorist, commented that unlike the commercial sector, market behaviour does not influence the decision making of non-profit organisations. According to Drucker, non-profits' income is derived typically from multiple sources and is not related to performance, but rather to their fund-raising capacity and a budget. Drucker (1990) takes this line of distinction even further in contending that the business of non-profits should be conceived of in terms, neither of making money nor of providing service as an end in itself, but rather of effecting change. The 'product' of a non-profit organisation according to Drucker is 'a changed human being' (1990: xiv).

Following on this theme of the purpose of non-profit organisations, Dabbs (1991) argues that, in the absence of a profit motive, members of a non-profit organisation need to be able to identify with its goals in order for them to feel a sense of personal significance and social acceptance. He suggests that generally wealth-creating businesses monitor and control their activities by the three E's - efficiency, effectiveness and economy, with efficiency being the main element. Efficiency is the relationship of inputs to outputs, which usually generates profits. In the non-profit sector, effectiveness is more important, that is, the extent to which objectives are achieved (Dabbs 1991). How effectiveness is measured in the non-profit sector is a contentious issue that we will return to later.

This distinction between the goals of a non-profit organisation and a commercial company is reflected in an organisation's primary task according to Dartington (1998). A primary task is defined as the task that the system was created to perform. Dartington (1998) believes that this is the essential difference between the non-profit sector and private sector. In the private sector the primary task is always linked to making profit whereas in the non-profit sector the primary task relates to the mission of the organisation. A commercial company may change from producing razor blades to after-shave if the move will result in increased profits. A non-profit organisation will not change from providing hostels for the homeless to day care centres for children if its mission is to alleviate homelessness in the elderly.

What is emerging from the above discussion is that the mission of an organisation is the essential difference between the private sector and the public sector. Businesses exist for, and are driven by, the profit motive whereas non-profit organisations exist for the mission itself. O'Neill and Young (1988) suggest that the activities that business engage in are 'instrumental' to achieving their overall objective of profit. In contrast, the particular activity the non-profit organisation engages in is 'of primary concern, not subservient to an overriding financial bottom line' (1988: 3-4).

1.6.2 Non-profit sector and the public sector

The conclusion to be drawn from the above discussion is that the non-profit sector is different in a number of significant ways from the private sector. Organisational mission and values seem to be the essential characteristics that differentiate the non-profit sector and the private sector. The differences, if any, between the non-profit sector and the public sector now need to be explored.

Comparing the non-profit sector with the public sector, Kramer (1990) identified that a voluntary agency has a philosophy of charity as opposed to the governmental agency, which is one of justice. More recently, a move from an ethos of charity to social justice has been noted in voluntary organisations in Ireland (Faughnan and Kelleher 1994, Ruddle and Donoghue 1995). Social justice will also emerge as an important value for

managers in this current work. Kramer (1990) believes that a voluntary agency represents a minority and is limited in its scope as opposed to the majority provided for by a governmental agency that is comprehensive in its scope. According to Kramer, a governmental agency relies on taxes to fund their services, while the voluntary organisation relies on grants, contributions and fees. Finally, a governmental agency provides a service as a right, whereas a non-profit organisation provides services on a gratuitous basis.

1.6.3 Features of the non-profit sector

A number of authors have drawn attention to other distinguishing features of the non-profit sector. For example, Billis (1987) highlights the ambiguity of a voluntary organisation's authority structure consisting of paid staff, professionals and volunteers. Following on this theme of staffing structures, Middleton (1987) asserts that the voluntary boards and executive leadership of non-profit organisations have more influence on policy than the consumers do, whereas the for-profit sector has to be customer driven. He also sees the potential for conflict between the board of management and the paid staff. Management board members are volunteers, with an interest, but not necessarily with expertise in the services the agency offers while the staff is increasingly becoming more professional.

O'Neill and Young (1988) summarise these differences by suggesting five criteria that make non-profit organisations distinctive. Firstly, the criteria for performance of non-profit organisations are ambiguous and their management values are complex. The legal and financial restraints under which non-profit organisations operate differ, their funding sources are unique, many of their staff may be voluntary, and, finally, the system of governance of non-profit organisations can cause conflict between the paid professional staff and the voluntary board of management.

1.6.4 Non-profit sector and accountability

In Ireland, another significant feature of the non-profit sector is that it is deemed to be less accountable than the government and market sectors (Hayes 1996, Donnelly-Cox and Jaffro 1999). The private sector has to answer to shareholders as the ultimate arbiter of the success or otherwise of the enterprise. A myriad of controls and regulations govern the statutory sector. The situation in the non-profit sector is more complex, partly due to the difficulty in evaluating outcomes. How does one measure a service that aims to empower disadvantaged youth or that provides support to parents of children with a disability? Furthermore, the objectives of voluntary organisations are often framed in terms that are difficult to measure such as ‘to increase the self esteem of...’ or ‘to provide support to...’.

The issue of accountability is further complicated by the question of to whom should a voluntary organisation be accountable and for what. If accountability is to the funding provider, this is not straightforward as the funds may come from a variety of sources. If accountability is to the consumer of the services, according to contract failure theory (Hansmann 1987), consumers may not be in a position to critically assess the service they are receiving. Leat (1996) identifies some of the interest groups in the United Kingdom that have a stake in the accountability of a voluntary organisation; these are, she suggests, the general public, Charity Commission, Inland Revenue, central government, local government, users, other voluntary organisations and professional bodies. Developing appropriate accountability measures for all these stakeholders is not an easy task.

In the United States, Rodrique (1998) believes that the media shy away from monitoring non-profit activities as rigorously as the for-profit sector. He believes this is because non-profit organisations’ sense of mission causes the ‘wagons to circle’ (1998: 54) thus suspending the normal watchdog duties of journalists. In Ireland, this concern finds resonance with the myth of ‘goodness’ that Donnelly- Cox and Jaffro’s (1999) believe surrounds the sector.

In Ireland, the concern over accountability is coming to the fore, as statutory funding is increasingly becoming the primary source of finance for voluntary organisations. This issue of accountability was acknowledged in the Government's White Paper:

'Organisations should maintain high standards of governance and accountability and commit themselves to adhere to relevant legal obligations and standards' (Department of Social, Community and Family Affairs, 2000: 111).

1.7 Values and the non-profit sector

It is clear from the preceding discussion that different writers highlight various issues that differentiate the non-profit sector from the other sectors. There appears to be a consensus in the literature, however, that values are the voluntary sector's most distinguishing characteristic. In fact, James (1989) developed a 'value-expressive' theory to explain the existence of the non-profit sector. Some of the main contributions from other theorists will be examined later in Chapter 3 of this thesis.

James (1989) suggested that voluntary organisations come into existence because those people who are motivated by values use voluntary organisations to give expression to and promote their particular ideology. James indicated that religious groups universally are the major founders of non-profit institutions. Thus, the religious motive provides a powerful explanation for the emergence of non-profits, their use, and for the particular services they provide. James further notes that the majority of non-profits provide either health or education services. This theory has particular relevance in Ireland, as traditionally religious orders were providers of social services on a voluntary basis (Fahey 1998, O'Sullivan 1999, O Ferrall 2000).

Continuing with the theme of values, Kramer (1987) drew attention to the influence of values and ideologies on the management and governance of the non-profit sector. One of the roles that he attributes to voluntary agencies is that of 'value guardians'. Kramer

suggests that: 'voluntary organisations... are usually regarded as quasi-sacred symbols of altruism, charity, and civic benevolence, taken for granted as social institutions, but not considered worthy of serious study' (1988: 242).

Values are also central to Jeavons (1992) view of voluntary organisations. Jeavons asserts it is the 'value-expressive' nature of the non-profit sector that is one of its main characteristics. He believes this values expressive function has its roots in the religious origins of the non-profit sector in the United States. Jeavons (1992) believes that the 'social, philosophical, moral or religious values of their founders or supporters find expression in voluntary organisations created for public benefit' (1992: 404).

Similar to James (1989), Jeavons argues that for-profit organisations exist to create wealth, public sector organisations evolve around power, and non-profit organisations evolve around values. This embodiment of 'moral commitments' gives voluntary organisations the legitimacy to access resources necessary for their survival. Jeavons concludes 'that the quality of these organisation's value-expressive character and behaviour is crucial for it is the demonstration of these moral commitments that then legitimates and strengthens their claims' (1992:406). This 'values-expressive' characteristic of non-profit organisations has implications for management practices, he suggests:

'What distinguishes the context for management in a values-expressive organisation is that how the organisation goes about setting and attaining specific goals is as important as the goals themselves' (1992: 409).

Jeavons is concerned that the process of institutionalisation may hold dangers for voluntary sector organisations. This concern has resonance with the crisis of legitimacy highlighted by Salamon (1996). According to Jeavons, this process is one:

'through which organisations tend to become self-serving, and if these organisations were created to serve others and the common good, and if that is the basis on which they sell themselves, then institutionalisation brings with it a fundamental and often visible discontinuity between espoused purposes and values and operative purposes and values' (1992:410).

What is emerging from the above discussion is that it is the ‘values-expressive’ nature of voluntary organisations that is their defining characteristic and creates a special context for their management and governance. Drawing on the work of Jeavons, O’Ferrall (2000) concludes that, in the Irish context, there are three areas of concern for management in the Irish voluntary sector. These are:

‘The ethical integrity of the organisation, the degree to which the organisation’s performance actually serves the public good and the degree to which the treatment of staff and volunteers honours the moral and social values that the organisation intends to project in its service work’ (2000: 126).

In examining the values and management practices of voluntary organisations, the third concern of O’Ferrall’s regarding the consistency of management practices and the mission of an organisation will be addressed in this thesis.

1.7.1 Values and legitimacy

The issue of values is closely linked to the question of the legitimacy of the non-profit sector. Legitimacy refers to the degree to which social systems or institutions are valued and accepted (Weber, 1958). As will be discussed in greater detail in Chapter 3, it was the increase in funding from the public purse that first brought the non-profit sector to the attention of economists in the United States. Once again the issue of public funding is drawing attention to the sector both internationally, and more laterally in Ireland.

One of the foremost scholars in the field, Lester Salamon, has voiced concerns regarding a crisis of legitimacy within the sector in the United States on a number of occasions. Salamon (1996, 1999) indicated that the four aspects to this crisis in are fiscal, economic, effectiveness and moral. He pointed out that financial support by government for non-profit organisations was dropping. Social services, education and employment programmes in 1998 ended up with funding 11 per cent below their value in 1980. Faced with significant government cutbacks, the sector could choose between a number of

options. It could either curtail its services, or operate more efficiently, or look for alternative sources of income.

In the United States, according to Salamon, voluntary organisations have chosen the third option and have moved significantly into the commercial market by levying fees and charges for some of their services. Salamon believes that this strategy has exposed the sector to the second facet of the crisis, 'economic', as for-profit organisations have seen the potential for profit and entered the field previously the preserve of non-profit organisations. The third facet of the crisis is one of effectiveness. Salamon suggested that the sector is increasingly facing criticism on three grounds. One is for failing to resolve social problems, the second is for over-professionalising itself thus removing it from its traditional values of self-help and charity, and thirdly, for the lack of accountability for the funding it receives. Whilst these concerns are serious and warrant deep consideration, the fourth crisis, Salamon believes holds the greatest danger for the sector.

Salamon refers to this as moral crisis, or a crisis of legitimacy. He argued that the non-profit sector in the United States still portrays an outdated, nineteenth century image of charity and altruism despite the fact that the reality in the twenty-first century is somewhat different. Salaman further points out that contrary to public perception, fees and charges, rather than philanthropy have become the main source of financial support in the US, where government funding accounts for 40 per cent of revenue in some services. This process of professionalisation and bureaucratisation has moved charities away from local communities and has undermined the role of volunteers. 'The non-profit sector is being hoisted on its own mythology', according to Salamon (1996:7).

This was not the first time concerns about the non-profit sector had been expressed. Earlier, and also with reference to the United States, Estes *et al.* (1989) questioned the legitimacy of the sector against a backdrop of shifts in public policy concerning the roles of government and the non-profit sector. Estes *et al.* contended that there was a crisis of legitimacy within the sector in part due to 'pressures to embrace professionalism and managerialism' (1989: 22). They believed that the primary sources of legitimacy for the

non-profit sector lay in its historical and contemporary role and character. Besides being a provider of services ‘non-profit institutions have enjoyed special legitimacy in terms of their special representation of pluralistic, participatory, and non-economic motivations of charity and the spirit of giving, individualism, and the democratic impulse’ (Estes *et al.* 1987: 24).

Echoing similar sentiments to those expressed above, the Johns Hopkins Comparative Nonprofit Sector Project (Salamon *et al.* 1999) concluded that the main challenge facing the non-profit sector in developed countries was one of ‘renewal’. If the sector is to survive, the authors believe that ‘its true identity and core values’ (1999: 36) need to be protected and invigorated.

The contexts, history and backgrounds of the non-profit sector in the United States and Ireland are too different, however, to lend any credibility to a comparison. Nevertheless, certain common trends are visible that warrant comment. As in the United States, the Irish non-profit sector is increasingly reliant on statutory funding to deliver its services. Private philanthropy in 1996 represented only 10 per cent of the Irish non-profit sector’s income. Even in the voluntary and community sector, where the reliance on philanthropy is much higher (40%), the state’s contribution to revenue was still 53% (Donoghue *et al.* 1999).

The Irish non-profit sector used to be in a situation where it was totally reliant on private philanthropy and fundraising. Today many organisations are dependent on statutory funding as the primary source of income. It is interesting to consider the consequences of this, which leads us to wonder whether the Irish non-profit sector is suffering a moral crisis or a crisis of legitimacy as articulated by Salamon (1996) in the United States. By examining the values of managers in voluntary organisations in Ireland, and looking at how these values translate into the practice of management, this study hopes to throw some light on that very question.

1.8 The Research Challenge

Directly or indirectly, voluntary sector organisations impact on most people's lives at some stage, yet, up until recently, the voluntary sector 'had been the subject of little systematic investigation' (Faughnan and Kelleher 1994: 11). Despite the accolades and positive attributes usually associated with the voluntary sector, there is little in the way of empirical research around the world to support these beliefs.

In the United Kingdom, Billis (1991) makes the point that non-profits are like 'black boxes' in that their internal functioning is opaque. Leat (1996), also referring to the United Kingdom, writes about the cultural assumptions of goodness, good works, altruism, and high standards of moral probity and suggests that perhaps this view about how non-profits operate is one of the reasons for the historical lack of interest in the non-profit sector. A similar sentiment is expressed in Australia by Wearing (1994). He suggests that much of the discussion surrounding voluntary organisations is characterised as much by myth as reality. Salamon (1995) in the United States refers to the 'myth of pure virtue,' resulting in 'a certain romanticism about [the sector's] inherent purity' (1994: 6), a point which finds resonance in Donnelly-Cox and Jaffro's (1999) description of the myths of 'goodness' and trustworthiness that surround the Irish voluntary sector. Healey (1998) sums up the situation succinctly when he notes that the virtues of the voluntary sector are often extolled although hard evidence is hard to find.

The past decade, however, has witnessed a growing interest in the sector at an academic and government policy level, both internationally and in Ireland. For example, Donoghue *et al.* (1999) researched the economic value and significance of the sector in Ireland and concluded that the non-profit sector was economically important and that the voluntary and community sector also made a significant contribution to the economy.

In a research symposium on voluntary action in Ireland in 1997, a leading international scholar on the non-profit sector, Helmut Anheier proposed a research agenda that addressed three areas. Firstly, he posed the question whether 'non-profit organisations

have unique characteristics and make unique contributions to economy and society’? Secondly, he suggested that research must consider whether ‘non-profits have comparative advantages and disadvantages relative to government and business’? And thirdly, he asked whether ‘the cultural and political embeddedness of non-profit organisations vary, and with what outcome’ (1997: 46). Embeddedness refers to the extent of an organisation’s integration into the local culture and network. The Concise Oxford Dictionary defines embedded as ‘set firmly in surrounding matter’ (1995). It was within this context of increasing recognition at both policy and academic level of the significance and contribution of the non-profit sector to society that the current study emerged. This study addresses itself to the first area of Anheier’s research agenda, that is, the unique characteristics of the sector

1.8.1 The Research Questions

The objective of this thesis is to examine the relationship between values and management practices in the voluntary sector in Ireland. From this objective several research questions arise. Firstly, the study will establish what values are important to managers of Irish voluntary organisations. Secondly, how these stated values translate into the practice of management will be explored. The focus of this exploration will be on how managers’ stated values translate into the practice of management and any resulting tensions that may emerge. The management practices that will be examined include management style, performance and motivation, strategic planning and change management, and human resource management.

This research will contribute to the debate on the future role of voluntary organisations by exploring the extent to which voluntary sector organisations are ‘value-expressive’ in their management style and management practices and, therefore worthy of public support and legitimacy as ‘value-guardians’.

1.9 Methodology

This study is based on an approach called triangulation, which means that both quantitative and qualitative data are collected and analysed. A questionnaire survey was conducted from a sample of Irish voluntary organisations. This survey was followed up with in-depth interviews with 20 participants. The objective of using this combined approach was to achieve richness and comprehensiveness of data.

A delimitation of this study is that only the views of senior managers were sought both in the survey and in the subsequent interviews. The objective of the research was to explore the relationship between values and management practices from the perspective of the senior managers. Seeking the views of other staff in the organisations was outside the scope of this study.

A further delimiter is that this study focuses only on voluntary and community organisations funded by the Eastern Health Board in 1999/2000. As discussed earlier, this is a sub-group of the wider non-profit sector in Ireland. The absence of a single comprehensive representative database of voluntary organisations in Ireland precluded the option of selecting a representative sample for the survey. Consequently, the author does not claim that the findings are generaliseable either to the voluntary sector in Ireland, or to the non-profit sector internationally.

1.10 Overview of thesis

There are two parts to this thesis. Part One (Chapters 1-4) contains the background to the research, the literature review and the methodology used. Part Two presents and discusses the research findings (Chapters 5-9).

Chapter 1 deals with the definitional problem. The issue of values in the non-profit sector is established as a topic worthy of research. Chapter 1 also sets out the objectives of the study and the research questions. Chapter 2 presents the history and background of the non-profit sector in Ireland. Chapter 3 looks at research into the non-profit sector internationally and discusses the various theories in use that attempt to explain the existence of the voluntary sector. Chapter 4 explains and justifies the methodology and research design used in the research. Chapter 5 identifies and discusses the values that managers say are important to them. Chapter Six explores managers' perceptions of the style of management in voluntary organisations and considers how this style fits with managers' stated values. Chapter 7 examines the human resource strategies that managers describe in their organisations and how they fit with managers' values. The focus of Chapter 8 is on motivation and performance and how managers' values impact on these management practices. Chapter 9 considers how managers' values translate into the practice of strategic planning and change management. Finally, Chapter 10 pulls together all the strands and themes running through the thesis to present the significant conclusions and suggestions for future research practice.

This research will contribute to our understanding of how voluntary organisations operate. It will be of benefit to management and staff alike in the sector by highlighting the need for the integration of values with management and human resource practices. It will be of interest to organisational and management theorists, as this is the first time the issue of values and management practices has been addressed in the non-profit sector. Hopefully, the thesis will be of interest to those responsible for providing management training to the sector and it will emphasise to future and current managers the need to stay true to vision and values as therein lies the basis for their legitimacy and their tools for survival. Finally, I trust this research will ultimately benefit the users of voluntary social services, as without them, the organisations have no reason to exist.

1.11 Concluding remarks

This chapter established that the structural/operational definition of the non-profit sector is the most relevant for the purposes of this research. Further refinement of the use of the term was necessary, however, as in Ireland the non-profit sector includes hospitals, schools, and tertiary educational establishments that are outside the remit of this study. Turning to classifications and typology, it became clear that the study by Donnelly-Cox and O'Regan (1998) was the most applicable to the current study as it adopted a contextual approach to understanding the sector.

In trying to distil what differentiates the voluntary sector from the market sector or the public sector, the issue of values emerged as the distinguishing feature of the voluntary sector. The work of Jeavons (1992) was noted, as he believes that the 'values-expressive' characteristic of voluntary organisations means that the management and ethics of an organisation must reflect the spirit of the mission as the basis of their legitimacy. The relationship between management practices and values in the non-profit sector in Ireland is the focus of this thesis. The next chapter will, therefore, concentrate on the Irish voluntary sector. The background and development of the sector will be examined in order to provide a context for the present research study.

Chapter 2

The Non-profit Sector in Ireland

2.0 Introduction

A knowledge of the history and background of voluntary organisations is important to assist in understanding the context and culture in which they emerge. Voluntary organisations do not emerge and develop in a vacuum. Rather they are a reflection of the wider culture and society in which they thrive. Explanations for their existence can often be found by an examination of the wider social environment and the contexts in which they exist. This approach is supported by social origins theory (Salamon and Anheier 1996) that suggests that the non-profit sector can only be understood by referring to the origins and context in which it operates.

This chapter will trace the development of the Irish voluntary sector and its changing contribution to Irish society. We will see that many voluntary organisations emerged in the nineteenth century under the umbrella of the Catholic Church as a response to the dire conditions of poverty that prevailed at the time. From the 1950s onwards, changing attitudes regarding the role of the state resulted in the Irish government beginning to accept responsibility for the provision of basic welfare and health services. From then on many voluntary organisations were statutorily funded to provide services that the state either would not or could not provide (Kirby 1988). This chapter will outline a further shift in the role of the voluntary sector in Irish society that has occurred since the 1980s, which eventually brought it into the national arena.

By the late 1990s, the voluntary and community pillar had become a player at national level in the partnership agreements that first emerged in the late 1980s as a response to the

poor economic conditions at the time. From 1991 onwards, it will be seen that the voluntary and community pillar also became involved in the local area based partnerships that were set up to tackle poverty at the local level. As the role of voluntary organisations changed, we will see that their funding base also changed. This development will be traced and the chapter will conclude with reflections on some of the implications of these changes.

2.1 The Non-profit Sector in Ireland

The non-profit sector in Ireland constitutes a bewildering assortment of organisations and organisational types. It includes organisations as diverse as voluntary hospitals, schools, citizens advice centres, overseas aid agencies, housing associations, medical trusts, play groups, self-help groups, community centres, youth associations, and heritage foundations. The Revenue Commissioners have a list of 5,742 organisations that have been granted charitable tax exemption under the Tax Acts⁴. A cursory glance at some of the names on that list gives an idea of the complexity and scope of the sector. “Help Us Dry the Tears” Foundation Limited, “Out of His Treasures” Charitable Trust, “The Bride” Christian Fellowship, Adoption Contact Register, Advanced Management Programmes, U.C.D.Ltd, Aghabullogue Community Centre, and Dun Laoghaire Borough of Old Folks, Carmelite Villages Ltd, Ennis Arts Centre, Dundalk Joint Burial Board, and Masonic Benevolent Institution are examples of bodies with charity numbers.

⁴ This list, dated 1st March 2003, is updated by the Charities Section of the Revenue Commissioners every month to take account of newly exempted charities and bodies who have ceased activities.

Given the diverse range of voluntary organisations it is hardly surprising that Faughnan and Kelleher (1994) remark that:

‘There is widespread agreement that the formal voluntary sector makes a substantial contribution to all areas of public life in Ireland, particularly to the social service and community development spheres’ (1994: 11).

Dr Mary Redmond, the founder of the Irish Hospice Foundation, and ‘The Wheel’, a movement to harness Ireland’s diverse voluntary sector, commented at a conference in Ennis, County Clare in 1999 that ‘Ireland’s voluntary sector directory (if it existed) would make compelling reading. She estimated that there were 7,250 voluntary organisations in Ireland and described them as ‘a powerful social glue’ (1999: 156).

2.1.1 History and background

The voluntary sector in Ireland has its own particular history and pattern of development that is unique. Two distinct sources of voluntary tradition can be identified, one informal and unorganised that emanates from rural Ireland. The other is more associated with an institutional approach that emerged as a response to poverty and destitution in the main urban centres (National Committee on Volunteering 2002, Lee forthcoming).

More recently, Donoghue and Ruddle (1995) have identified a third strand, the movement of the state into mainstream welfare provision. This period, 1963-1974, characterised a general expansion of the role of the state and led to statutory responsibility for a wide range of social services in the field of education, health, and children’s services. This resulted in the role of the voluntary service providers changing, from one where they had sole responsibility, to one where they either complemented or provided an alternative to the services provided by the state.

Although no precise history of the voluntary sector in rural Ireland exists, we know that there was a tradition of mutual assistance in times of need referred to as ‘cooring’. This strand of voluntary activity was informal and unorganised, yet formed a crucial support mechanism when individuals or families experienced misfortune. ‘Social capital’ is a term now used to describe this system of communities informally assisting each other. By the 1930s, Muintir na Tire (People of the Land) had come into existence, representing a more organised approach to the agrarian ideals of neighbourliness and co-operation. The broad objective of Muintir na Tire was the regeneration of rural areas by working through popularly elected community councils. These community councils were encouraged to take on a mix of long-term and short-term projects that reflects a locality’s ‘social, cultural, economic, educational and recreational needs’ (Muintir na Tire, n.d.: 4-5) (National Committee on Volunteering 2002).

2.2 Voluntary provision and the Catholic Church

The voluntary tradition of helping and giving has a long history also in urban Ireland where a more formalised approach to assistance emerged under the umbrella of the Catholic Church. Following Catholic Emancipation in 1829, such was the extent of poverty and deprivation in Ireland that there were large numbers of people starving and destitute. State assistance at that time was minimal with the result that religious groups such as St Vincent de Paul were established with the objective of alleviating hardship and dispensing charity. These groups fit into the ‘traditional voluntary organisation’ type in Donnelly-Cox and O’Regan’s (1998) typology, cited in Chapter 1.

From the early 1800s other religious organisations such as the Christian Brothers established primary and secondary schools, many of which are still in existence today. The mid-nineteenth century saw the establishment of the Presentation Sisters, Irish Sisters of Charity and the Sisters of Mercy, orders which moved away from cloistered isolation to working amongst the poor. By the middle of that century, the Catholic Church extended its provision beyond charity and education and consolidated its

influence in Irish society by the provision of voluntary hospitals. The domination of the church in the area of health, education, and welfare was to continue as a significant influence in Irish society until the 1960s.

Fahey (1998) believes that the reason the Church developed this ‘ powerful far-reaching role as a social service provider’ (1998: 412) was a survival mechanism in the face of social revolution, industrialisation and the spread of secularism. Catholic schools, hospitals, orphanages and institutions for the relief of poverty flourished in the nineteenth century. Fahey (1998) identifies one of the reasons that this was able to occur was the growth in religious congregations, particularly religious orders for women, that encouraged practical teaching and social services work with the poor as their mission, thus providing an enormous resource in terms of manpower to the church. In 1800, there were about 200 nuns in Ireland. By 1900, there were around 9,000. During the same period the number of priests also grew, although less spectacularly, doubling to 3,500. Fahey (1998) identifies a notable feature of Catholic social provision, which was its failure to address any of the increasing inequalities in Irish society. On the contrary, Fahey argues that as the Church’s primary aim was the dissemination of the faith, any concern for redistribution was relegated to second place, at best. Breen *et al.* (1990) highlight instances when the Catholic Church’s conservatism and apparent lack of social conscience led it actively to oppose the state in its attempt to develop health and education services.

In the wider environment, changes were occurring that also impacted on the provision of voluntary social services in Ireland. When Ireland achieved Independence from Britain in 1922, nationalism and Catholicism were the main forces shaping the country. A strong alliance was forged between church and state. Prior to 1960, the Vatican’s attitude to the state provision of welfare can be summed up by the principle of subsidiarity. This principle emphasised the primary role of the family and community in providing for the welfare of its members. According to the principle of subsidiarity, the state should provide assistance only as a last resort where all other local forms of support had failed. This approach to welfare effectively set clear boundaries on the role of the state and limited its intervention into

individual, family and community affairs. The state was happy to leave the provision of health, welfare, and education services under the umbrella of the church.

Despite the pervasiveness of Catholic social services, the Church's impact and influence on social policy at a national level were minimal. As the Church viewed the provision of social services as a means to an end, that is, the propagation of the faith, rather than the alleviation of poverty, they failed to develop a philosophical base for their interventions. As a result of Vatican II (1962-1965), however, the Catholic Church's attitude to state intervention changed. Thereafter, the Church began to encourage the state to provide welfare services previously provided only by voluntary agencies. From the 1960s onwards, falling numbers entering religious orders and the priesthood resulted in the Church gradually withdrawing as a mass provider of social services but it left little behind with regard to a policy legacy (Healy and Reynolds 1998).

As the Catholic Church in Ireland began to withdraw from direct service provision in the 1960s, Catholic social teaching was experiencing a transformation. Under Pope John XXIII, and later Paul VI, liberation theology took hold, espousing principles of solidarity with the poor, conscientisation of the masses, and social justice. By the late 1960s in Ireland these teachings moved the church to focus on issues connected with poverty, underdevelopment, and aid. This resulted in the establishment of Trocaire in 1973, the Irish Catholic Church's agency for third world development. It quickly became the country's largest non-government organisation providing aid to the third world. Another consequence of this shift in emphasis on the part of the Church was the foundation of CORI, the Conference of Religious of Ireland, a collective forum for social action with a focus on the plight of the marginalised.

2.3 Voluntary organisations and public policy

From the 1830s to the 1950s, the delivery of basic social services and charitable support to the needy was provided primarily by voluntary agencies that were mostly under the

umbrella of religious organisations. Roof (1957) states that this emphasis on the individual and the laissez-faire attitude of the state was widely accepted in social and philosophical discourse. Kirby summarised the relationship between these emergent voluntary organisations and the state as follows:

‘ The state had always depended on the voluntary sector to operate social supports at local levels, to cater for the needs of particular groups and to do a whole range of activities which the State either could not, or would not do’ (1988:11).

This laissez-faire state of affairs continued until the introduction of the 1953 Health Act, which gave the government the authority to fund social services. From then on a more complimentary relationship could be said to describe the relationship between the state and the voluntary sector. Salamon (1987) attempted to explain the basis for state/non-profit relationships by arguing that the co-operation that exists between government and the non-profit sector is a reflection of the fit between the respective strengths and weaknesses of the two. Salamon points out that the voluntary sector, for all its strengths as a service provider, has a number of significant weaknesses.

‘It is limited in its ability to generate sufficient resources, it is vulnerable to particularism and the favouritism of the wealthy, it is prone to self-defeating paternalism, and it has at times been associated with amateur, as opposed to professional forms of care’ (1998: 113).

Some of the weaknesses that Salamon (1987) attributed to the non-profit sector are ‘its limited ability to generate an adequate level of resources, its vulnerability to particularism and favouritism, and a proneness to self-defeating paternalism’ (1987: 113). The state, on the other hand, can generate income from taxes, it can set priorities on the basis of a democratic process, and it can make access to care a right instead of a privilege.

According to Salamon, these weaknesses correspond well with the government’s strengths, and vice-versa, so collaboration between the two makes sense. The government

has access to resources, is able to set priorities on the basis of a democratic process, can make access to care a right for all, and can improve the quality of service by imposing minimum standards of care.

While it may be overstating the point somewhat to describe the relationship between the state and the voluntary sector as cooperative, nevertheless, the 1950s onwards witnessed a general expansion of the role of the state in Ireland. The 1953 Health Act represented the first major shift in public policy toward the statutory provision of and responsibility for basic social services. This change in attitude had enormous significance as it meant that the state now accepted responsibility for members of society in need of assistance. The state has continued in this role of directly providing services as well as funding voluntary organisations to provide services on their behalf until this day. The consequences of this are that the state is becoming responsible for an increasing share of the non-profit sector's revenue (see Faughnan and Kelleher 1994, Ruddle and Donoghue 1995, Donoghue *et al.* 1999) and the voluntary sector is increasingly reliant on public funding to fund its activities.

The 1960s onwards saw the state gradually increase its provision of social services whilst in the voluntary sector, a gradual shift in emphasis was occurring. An ideology of empowerment, self-help, and community action replaced the notions of charity, philanthropy, and deserving poor. Hence Kramer's (1987) distinction with its emphasis on charity, noted in Chapter 1, does not necessarily hold any longer for contemporary Ireland. These concepts of self-help had their roots in the co-operatives that sprang up in rural Ireland in the latter part of the 18th and early 19th century. These co-operatives emphasised the control of agricultural production in an attempt to redress the economic powerlessness of the majority of the population.

A further feature in the changing face of the Irish landscape was the emergence of community development organisations in the 1970s. These organisations were urban based, and were influenced by the women's movement, trade unionism and housing issues. They emphasised community action, participation, welfare rights, and

empowerment. These initiatives also coincided with, and fitted into the philosophy of the Anti-Poverty programmes funded by the European Community.

The next 'phase' in the development of the voluntary sector represents a shift to the national arena. The Programme for National Recovery (PNR) emerged in 1987 against a background of widespread and persistent unemployment, rising inflation and growing government debt. PNR was the first in a series of tripartite agreements between the social partners of government, trade unions and employers, which represented a new consensus approach to tackling issues of national concern.

Since the early 1990s, however, Ireland's economy has experienced a dramatic transformation. A strategy of economic development and the more positive industrial relations climate heralded by a series of social partnership agreements from the late 1980s onwards led to substantial investment by overseas companies. Accompanying this economic strategy was a rapid expansion in the welfare state and an expansion of the public sector (Walsh *et al.* 1998). The favourable conditions created internally by this new social consensus, combined with favourable external trading conditions and the injection of funds by the European Union, all combined to create unprecedented economic growth, a phenomenon commonly referred to as the 'Celtic Tiger'.

2.4 A Distinct Community and Voluntary Sector?

As the macro-environment changed, the last two decades of the 20th century witnessed further changes in the development of the sector. Marginal and disadvantaged groups began to organise and become more politicised (Donoghue 1998). As they became more visible and articulate, their role in the development of national welfare strategies was enhanced. Varley (1998) contends that conditions in the 1990s became more conducive to the idea of the community sector as a full social partner at national level. In a number

of national policy arenas a place was reserved for the so-called ‘community and voluntary sector’.

In 1993 the community and voluntary sector joined the established social partner members (employers, unions, farming organisations) as the ‘third strand’ of the National Economic and Social Forum (NESF), and in so doing, saw the entry of the voluntary and community sector onto the National Economic and Social Council (NESC). The third strand consists of women’s organisations, the unemployed, the disadvantaged, youth, elderly, people with a disability, and environmental interests. The voluntary sector had substantial input into the National Anti-Poverty Strategy in 1997.

Furthermore, in preparation for a further round of social partnership negotiations (Partnership 2000), an alliance of 15 community based national organisations came together on a Community Platform (CP). The Community Platform listed as its aims: “empowerment, employment, equality, participatory democracy, human rights, elimination of poverty, reversal of rural decline and depopulation” (CP 1997: 8). As one of the pillars of partnership, the Community Platform took its place alongside employers, trade unions and farming organisations, and played a part in subsequent agreements, the Programme for Prosperity and Fairness 2000-2003, and the current agreement, Sustaining Progress 2003-2005, due to come into effect June 2003 (Crowley 1996, Larragy 2002).

Although still very much in its infancy, the appearance of the community and voluntary sector at national partnership negotiations is a watershed in terms of the sector’s development. Representation and inclusion in policy negotiations at the national level, however, was fraught with difficulty due to the fragmentation of the voluntary sector. This current study confirms that many organisations do not think of themselves as belonging to ‘a sector’ and thus the issue of representation posed enormous challenges. O’Ferrall notes that this ‘third strand’ ‘has a recognised if limited voice in the shaping of national agreements with government’ (2000: 38).

Hayes (1996) identified in her research that, despite the emerging partnership agreements, the voluntary sector does not enjoy the same status as that afforded other groups such as trade unions, farming associations, and employers, a view supported by Donoghue (1998). Furthermore, the ability of voluntary organisations to participate equally with the other social partners was questionable as often they lacked resources, information, and the necessary expertise. Varley (1998) highlights some of the dangers inherent in this level of participation for the sector. He argues that the community sector faces the challenge of spreading its meagre resources across a number of arenas while convincing itself that being a player at national policy level can and will make a difference to those most marginalised. According to Varley, there is also the challenge of not getting sucked into the 'inner-circle', of ensuring the voluntary sector stays close to its roots and retains its legitimacy.

2.4.1 Local Partnership and Community Organisations

As we will see, some of the problems associated with national level participation were also experienced at a local level in the area-based partnerships. Despite the dramatic improvement in living conditions brought about by the Celtic Tiger, not everyone experienced the benefits. Poverty and social exclusion continued to be a feature of Irish society. At a national policy level, disillusionment with the ability of the welfare state to tackle these endemic problems led to the emergence of the local partnership model as a means of tackling social exclusion and poverty, particularly amongst marginalised groups.

Walsh *et al.* (1998) identified three main themes that this new public policy centred on. Firstly, local multi-agency institutions, secondly, the targeting and involvement of socially excluded groups in designated areas of disadvantage and thirdly, the development of local integrated plans that combined enterprise initiatives with welfare measures. The resulting local partnerships represented government recognition and support for local communities as legitimate players in the provision of welfare services and the promotion of economic self-help. As

conceived under the Programme for Economic and Social Progress, local communities were to be the prime movers behind area-based initiatives. Local communities thus found themselves in a position of formal equality with the other social partners.

As Varley highlights, however, ‘numerical equality did not enable the community representatives to participate on anything like equal terms in practice’ (1998: 394). The guidelines on local partnership did not specify how the community sector should be represented, nor did they provide for any system of election of representatives.

“The organisers of the PESP partnerships soon found that each of the 12 local partnership areas was home to numerous community actors, frequently divided by inter-community rivalry and competition for scarce resources” (Varley 1998: 396).

In an evaluation of the local partnership model, Craig (1994) identified as crucial the task of building organisational capacity among community organisations in order to make them more effective. Given its weak capacity in disadvantaged areas and the inadequacy of resourcing (technical assistance, information and funding) the “community sector” was viewed as sustaining participation in partnership over a long period only with great difficulty (1994: 31).

Craig suggested that the more systematic and professional approach needed by community organisations implied movement toward a full-time commitment, greater dependence on paid staff and therefore a shifting of the balance away from voluntarism. As things turned out funds were made available for “capacity building among local organisations” under the provisions of the Global Grant (1992-1995), which was under the auspices of the European Union’s Poverty 3 (1990-1994) programme.

The challenges for the community and voluntary sector at local partnership level are similar to those faced at the national level in social partnership agreements. Walsh *et al.*

(1998) expressed concerns about to the costs of this local involvement and the actual impact of their input on decision-making. They believe that the level of back up and resources for community groups are still inadequate, that the linkages between community nominees, community organisations and the wider community are unclear, and that the consensus approach to decision-making may, in fact, conceal basic differences in the ability of participants to fully participate.

2.5 A Policy Framework

With all these changes in the macro-environment and the increased role of the state in areas previously considered the responsibility of the voluntary sector, it might have been expected that there would be an explicit articulation of the role of the state and the voluntary sector in social service provision. No such policy framework existed. O Ferrall (2000) noted that ‘the state has neglected to articulate a philosophical framework addressing the relationship between the state and the non-profit sector’ (2000: 41). He went on to remark that, while the state failed to articulate a national policy, so too did the voluntary sector fail to articulate a philosophical basis for itself in the new secular society.

“Voluntary organisations generally continued to be defensive and reactive and their lack of clarity and definition profoundly affected their governance and management in the face of the more challenging and stringent environment in which they had to operate” (2000: 41).

As far back as 1974, the Department of Health had agreed to produce a policy document on the relationship between the health boards and the voluntary social service councils regarding the provision of social services. Subsequent Ministers for Health reiterated this commitment. Responsibility for pursuing this commitment passed to the then Department of Social Welfare and finally, in 1997 the Minister for Social Welfare launched a Green Paper that was to act as a discussion document for a subsequent White Paper. Following another long period of gestation, the renamed Department of Social Welfare, the Department of

Social, Community and Community Affairs, finally published a White Paper already cited in Chapter 1 of this thesis. The White Paper acknowledged the contribution of the voluntary and community sector in meeting social needs in Ireland. It also commented on the fact that the sector not only supplements state provision of services, but also is the dominant provider in some areas. Given this acknowledged and significant role in service provision, we will now go on to explore the main sources of revenue that the voluntary sector relies on to deliver its programmes.

2.6 The Funding of the Voluntary Sector

We have seen that the sector has evolved considerably, emerging from under the umbrella of the Catholic Church to take on a role that is more secular, more independent and more influential in shaping Irish society at a national and local level. As the sector evolves and changes, so also does the funding base upon which voluntary organisations rely for their survival. As we shall see in the following section, government funding is beginning to represent an increasing share of the non-profit sector's income.

From a model of philanthropy and charity in the latter part of the 19th and early 20th century, the responsibility for funding many of the voluntary social services in the second half of the 20th century lay with the religious organisations. They relied on fundraising and donations to finance their operations. As state funding of the voluntary sector increased in the latter half of the twentieth century, the influence and funding of the Catholic Church declined.

2.6.1 Statutory funding

As noted earlier in this chapter, the 1953 Health Act represented the first significant commitment of the state to the funding of the voluntary sector. Many voluntary social

service agencies still to this day continue to rely on Section 65 of this act, although, under the 1970 Health Act, the responsibility for allocating grants was transferred to the health boards when they were established in 1971. Not only do Section 65 grants represent a major form of funding but ‘they are also the conduit through which the relationship between the Eastern Health Board and voluntary organisations is articulated’ (Donoghue 2002: 74). Section 65 funding provides financial support to organisations that deliver ‘similar or ancillary services’ to those provided by the state. Although Section 65 grant aid is one of the most important sources of funding for voluntary organisations, Donoghue (2000) points out the lack of clarification regarding a definition of services that are ‘similar or ancillary’ to those provided by the health authority.

One of the consequences of this lack of clarity and absence of guidelines is the diverse interpretations that have been used. For example, the database of voluntary organisations funded by the then Eastern Health Board in 1999, used for the purposes of this study, contained organisations as diverse as sports and social clubs, local development committees, parish welfare centres, as well as a wide range of health and community projects. Concerns have been raised about the lack of clarification in relation to the ‘similar or ancillary to’ term (National Social Services Board 1982,1986, Commission on Health Funding 1989).

Despite this, under Section 10 of the 1991 Child-Care Act, organisations providing child-care or related services were given grants using the same criteria, ‘similar or ancillary to’. The National Social Services Board (1982,1986) and Faughnan and Kelleher (1994) criticised this grants scheme on the grounds that the annual allocation of grants does not allow for long term planning, a point that will be returned to in Chapter 9. Furthermore, the discretionary nature of the guidelines can lead to inconsistencies in decision-making.

Donoghue *et al.* (1999) have documented the source of the non-profit sector’s income. As outlined in Chapter 1, using the structural/operational definition, the non-profit sector includes schools, tertiary educational institutions and hospitals. Public sector funding accounts for 74.5 per cent of the income of non-profit organisations. This includes central

and local government funding, monies from the European Union, National Lottery funding and grants from agencies such as the Combat Poverty Agency and the National Social Services Board. When the government established the national lottery in 1986, they announced that the voluntary sector would be the main beneficiary. Despite this commitment, Harvey (1995) discovered that, almost immediately, lottery funding was used for general government purposes. Only about 37 per cent of lottery money has gone to voluntary and community organisations.

Fees and charges are the next most important source of income for non-profit organisations, generating a further 15 per cent of funding. The remaining 10 per cent is contributed by private philanthropy (Donoghue *et al.* 1999). Hence, the majority of voluntary organisations are reliant on government funding to exist and to provide services.

Over half of all government funding (56 per cent) to the non-profit sector went to education and a further 29 per cent went to health services (Donoghue *et al.* 1999). These figures, however, mask certain interesting features. When we look at the figures only for the voluntary and community sector (which excludes schools and tertiary educational institutions) a different picture emerges. While 74.5 per cent of the non-profit sector's income comes from public sources, only 53 per cent of the voluntary and community sector's income is from the state. Just over 40 per cent of the income of the voluntary and community sector comes from private sources, indicating the much greater reliance these agencies have on fund raising and donations (Donoghue *et al.* 1999).

Even within this sub-group of the non-profit sector there are significant variations. Social service agencies, the focus of this current study, rely on private sources for 44 per cent of their income. Public funding to these agencies represents 50 per cent of their revenue.

In Faughnan and Kelleher's study (1994) fundraising was identified as the most cited problem for the future viability of organisations. It raises the worrying issue of the dependence of many voluntary and community organisations on fund raising as a source

of income. Ruddle and Mulvihill (1999) draw attention to the fact that there has been no significant increase in donations since 1994 and a drop in the proportions of respondents volunteering over time. Some sections of the sector, particularly religious, social services, health, and international organisations rely heavily on private donations (Donoghue *et al.* 1999). As Donoghue *et al.* (1999) point out however, the picture is even more worrying as volunteering has a much greater impact on the voluntary and community sector than it does on the non-profit sector as a whole. Social service agencies rely more heavily on volunteers than any other grouping within the ICNPO categories (National Committee on Volunteering 2002). The question of resources will be returned to in Part Two of this thesis.

2.6.2 Service agreements

In the past when a voluntary organisation received funding under Section 65 little accountability was required (Donoghue 2002). More recently however, there has been debate in policy-making and statutory circles about using service agreements. In the Faughnan and Kelleher study (1994) almost half of the organisations surveyed had expressed considerable fear about and ambivalence to the idea of contracted funding. Their reservations related to uncertainty about the state's commitment to a broad concept of contracting.

They feared that contracting arrangements would affect the capacity of the organisation to act in an autonomous and innovative manner. To address these and other concerns the government proposed that a 'new partnership' would develop between the health boards and the voluntary organisations that provided the services. The health authority would negotiate service agreements with all the voluntary organisations in its area to provide funding for a particular level and type of service. To provide for continuity and long term planning it was envisaged that these agreements would span a number of years.

The government's Health Strategy 1994 attempted to reshape the way in which health services were planned and delivered based on concepts such as equity, quality and accountability. The Department believed that funding services directly impeded co-ordination and planning at a local level. Service plans attempted to relate the levels and type of service needed to funding levels, thus moving away from the historical incremental budgeting. This process is not without its difficulties, however. O'Ferrall quotes a public servant's reservations about the difficulties inherent in applying rational measurement techniques to health services.

'The emphasis is now switching to evaluating the effectiveness of the services provided. This is the critical distinction between outputs such as number of services provided, number of clients seen or number of sessions worked, and outcomes which are actually concerned with the outcome of the intervention...Evaluating outcomes of health services is a very difficult task... Techniques for this form of evaluation are still in their infancy' (O'Ferrall 2000: 59).

In contrast to the findings of Faughnan and Kelleher (1994), Donoghue's (2002) study of the relationship between the former Eastern Health Board and the voluntary sector found that a change of attitude epitomised the climate regarding service agreements. Both the Board and voluntary organisations' respondents were overwhelmingly in favour of service agreements. Both groups felt that service agreements would provide clarity about, and structure for the relationship between the Eastern Health Board and the voluntary body. In 1997 the Department of Health drew up a template for service agreements with organisations in the field of mental disability. These service agreements enable the agencies to become involved in regional policy setting and establishing priorities.

2.6.3 Funding Implications

The increase in statutory funding and the recent emphasis on formalising the relationship between voluntary organisations and the state are likely to have implications for individual organisations. For example, these gradual shifts away from private philanthropy to state funding no doubt is welcomed by some voluntary organisations as it

removes the burden and uncertainty of fundraising. Indeed, questions were asked in the Dail about the appropriateness of volunteers having to raise funds with collection boxes for a service that ought to be publicly funded (Irish Times, 25/01/1999). Little research has been done into the consequences of this significant shift in public policy. Nevertheless, it is worth considering the implications for the Irish voluntary sector as similar patterns are occurring in Australia, New Zealand, United States and England.

Concern has been expressed in many quarters overseas (Loconte 1997, Nowland-Forman 1998, Brooks 2000) that increased government funding reduces the independence of the sector. Opponents argue that the sector's advocacy and lobbying role would be curtailed, as they are unlikely to bite the hand that feeds them. Concern has also been expressed that the old adage applies, 'he who pays the piper, calls the tune', insofar as the trend toward contract based funding will further reduce the independence of the sector by forcing them to provide the services that the government is willing to fund.

In the Australian context, Nyland (1993) refers to the 'little fingers of the state' (1993: 12) in examining the change in autonomy for voluntary organisations as representatives of the community to providing services on behalf of the state to the community. Salamon (1996), as noted earlier, argues that the non-profit sector holds onto an image of small voluntary groups administering to the poor and downtrodden. The reality, he says, is that government funding combined with fees and charges replace philanthropy as the financial base of many voluntary organisations. The resulting powerful partnership between voluntary organisations and the state has not been integrated into the public consciousness. Furthermore, Salamon points out that the traditional advocacy role of the voluntary bodies may be compromised as they could be seen to be advocating for their own self-interest.

Lewis (1996), writing in the United Kingdom, fears that a more competitive climate will put at risk traditions of collaboration and cooperation causing larger voluntary organisations to become more insular and isolated. Nevertheless, he asserts that voluntary organisations will vary in their responses to these challenges, with some agencies being

assimilated into outside agendas and others not. He points out that the new contract culture is likely to see the voluntary sector becoming the alternative service provider rather than being supplementary or complementary to government. If this is the case, then the implications for mission, management and governance are significant. Lewis suggests that with this new partnership arrangement may come to adopt more bureaucratic features, 'but this also implies a significant change in the nature of voluntary organisations which may not be cost free' (1996:110).

Expanding on this theme, Loconte (1997) draws attention to the consequences of government funding for private charities in the United States. Firstly, he argues that complying with the conditions of funding wastes scarce resources. Secondly, these scarce resources may not be used for those most in need. Thirdly, the regulations and guidelines associated with government funding limit the use of discretion and common sense, thereby limiting the freedom and initiative of individual organisations in the design of services. He further argues that the focus can shift to efficiency as opposed to effectiveness, and on the number of services provided rather than the quality of service. He warns that competing for government money may divert an agency from its mission; that factors other than consumer need are influential in decision-making, and finally, that government funding has the effect of diluting the identity of religious-based organisations.

In New Zealand, Nowland-Forman (1998) views the shift toward contracting as a long-term trend of tighter government controls over voluntary organisations. He identifies a number of stages in the changing pattern of funding. The first stage is characterised by private philanthropy, the second stage by submissions for programme grants, and in the third stage grants are allocated on the basis of needs analysis in the form of service planning. In the fourth stage there is tendering for programme specific contracts and in the final stage, individuals are provided with funding to purchase services from a service provider of their choice. Some social service agencies in Ireland are still at stage one, as they rely heavily on fund raising to survive. Others are at stage two, deriving a significant proportion of their income from government grants, as outlined earlier. The government

is slowly moving towards stage three and four. As yet, there is no indication that the final stage will be introduced, that is, that individuals will be funded to purchase services from the voluntary sector.

The preceding discussion suggests that a plausible argument can be mounted that government funding can cause or hasten Irish voluntary organisations to move towards Donnelly-Cox and O'Regan's (1998) Type III traditional organisation, employing professional staff and enjoying administrative, moral and political legitimacy. An in-depth look at the consequences of increased government funding for the sector is outside the remit of this piece of work. Nevertheless, many of the concerns articulated above evolve around the issue of values as the essence of what the voluntary sector has to lose by relying on government funding. It brings to mind once again the findings of the Johns Hopkins Comparative Research Project (1999) that, in order to survive, the sector's true identity and core values need to be protected and invigorated. The rest of this thesis is dedicated to exploring the values of managers in Irish voluntary organisations and determining, to what extent, the management practices of these voluntary organisations in Ireland are 'value-expressive'.

2.7 The Challenge for the Irish Voluntary Sector

New funding arrangements, however, are not the only challenges facing the Irish non-profit sector. The external environment has undergone fundamental changes that inevitably have impacted on voluntary organisations. Gunnigle *et al.* (1999) have chronicled some of the changes that have been occurring in Ireland since the 1960s. These include foreign-owned companies being encouraged to invest in Ireland while the focus of the economy switched from its traditional agricultural base to manufacturing, service industries and information technology. In addition, the population of Dublin expanded, increasing one-sixth in seven years and, politically, Ireland began to take its place in Europe as a modern democracy. In the second half of the 1990s Ireland

experienced unprecedented economic growth and prosperity. Despite the gains, however, many social problems remained as the gap in income widened, and relative poverty increased. Meanwhile the demands on the infrastructure resulted in increased commuting time, and a general negative impact on people's quality of life (National Committee on Volunteering 2002).

The consequences of these events have been that organisations have had to change more frequently and more rapidly to keep abreast with the rate of change in the external environment. Ireland is now part of a global economic system with the corporate world increasingly driving the agenda. Big corporations are now the engines that drive many aspects of Irish life with economic criteria often the main and only criteria for change. President Mary Mac Aleese⁵ recently commented that these changes impact on every individual, family and community and wondered about the effects on society, on our traditions, values and quality of live. She went on to comment that:

‘We have a long and proud tradition of voluntary activity in Ireland. We take great pride in our origins and our sense of loyalty to the people and the place from which we come. It is not at all surprising that this should express itself in concern for the common good in the form of voluntary and community service.’

We may now ask how the voluntary sector has responded to, or dealt with, the challenges posed by these changes. Donnelly-Cox and O'Regan (1998), cited in Chapter 1, believe that moral legitimacy is crucial for survival insofar as it allows organisations to attract the necessary resources. This question of moral legitimacy came under the spotlight in the United States when a high profile non-profit organisation came to the attention of the media for the embezzlement of funds. The former President of the United Way of America, possibly the country's biggest non-profit organisation, was sentenced to prison in 1995 for defrauding the organisation of \$1.2million.

⁵ Opening Address to a conference 'Are We Forgetting Something? Our Society in the New Millennium', Ennis, 1999.

Similarly, in Ireland, the former chief executive of a national charity, The Irish Society for the Prevention of Cruelty for Children, faced 41 charges of fraud (Irish Times, 1/8/2002). There were calls in the Dail for the Eastern Health Board to suspend their funding of the agency pending a police investigation. This drew public attention to the lack of regulation of the sector, referred to in Chapter 1, resulting in a Progressive Democrats senator, Ms Mairin Quill, issuing a statement calling for the introduction of the “long overdue” Charities Bill:

‘Millions of pounds are collected each year, yet there is no law to regulate the business or to set down proper regulations that would demonstrate proper monitoring and accountability’ (Irish Times 30/1/1999).

In summary then, this is a time of enormous change and challenge for the sector. It is important to take stock of some of the internal management processes that impact on the overall functioning and indeed survival of the sector to determine if the ‘myth of pure virtue’ (Donnelly- Cox and Jaffro 1999) is indeed a myth. This study will explore this myth by determining what values are important to managers in voluntary organisations, and furthermore, if these values are reflected in the management style and practices within voluntary organisations.

The assertion of Faughnan and Kelleher (1994) that voluntary organisations make a significant contribution to Irish society is indeed true. As Salamon (1994) points out the sector, however, remains vulnerable to a variety of internal tensions and external constraints. Some of these constraints arise from the misconceptions or ‘myths of pure virtue’, and sight is lost of the fact that voluntary organisations are subject to the same difficulties and problems that beset other organisations. The task of this study is to determine to what extent the ‘myth of pure virtue’ applies to management practices and values in Irish voluntary organisations.

2.8 Conclusion

This chapter provided a contextual basis for understanding the voluntary sector in Ireland. The sector has its origins in the cooperative approach to community living prevalent in rural Ireland in the 1800s and in the response to poverty in urban areas by religious organisations. Falling numbers entering the priesthood and religious orders led to the gradual withdrawal of the Catholic Church from service delivery and the 1960s onwards witnessed a waning of the Church's influence. This decade also witnessed an expansion of the role of the state. Statutory agencies became more involved in welfare provision and also began to fund non-profit organisations to provide services on its behalf.

The basis of this funding is currently under scrutiny and in the process of changing from an annual grant-aid basis to a more contractual base whereby service agreements spell out the nature of the services the government is purchasing. As voluntary organisations rely more heavily on state funding there are calls for the sector to become more accountable for the income it receives on the one hand and, on the other, concerns are expressed at the effect government funding may have on the nature of voluntary organisations.

In this chapter we have concentrated on the Irish voluntary sector. At this juncture it is pertinent to reflect on the fact that voluntary organisations are not unique to Ireland, they exist around the world. To gain an understanding of the particular nature of the Irish non-profit sector, and why values are important, therefore, it is useful to reflect on the wider picture to determine if any of the theories that have been propounded to explain the existence of the sector hold relevance for Ireland. These different theoretical perspectives reflect differing views on the philosophical questions relating to the role and impact that non-profit organisations have in a society. The next chapter, therefore, will begin by examining the non-profit sector globally, and will end with a discussion on the contribution of voluntary organisations to Irish society.

Chapter 3

The Role of the Non-profit Sector

3.0 Introduction

So far, we have mainly concentrated our interest on the voluntary sector in Ireland but the non-profit sector is not unique to this country, it is a global phenomenon. The purpose of this chapter is to place the Irish non-profit sector in a wider context by examining the international literature that will throw light on the research questions. The literature typifies non-profit organisations as charitable institutions (Kramer 1987 1990, Jeavons 1992) while the Irish government highlights the social justice role of the voluntary and community sector and the complementary role that exists between the state and the sector (Department of Social, Community and Family Affairs, 2000).

This raises a number of issues worth exploring in the international literature. Voluntary organisations may be not just about providing a service or charity. Perhaps society needs voluntary organisations as an expression of something that is not found elsewhere. This brings us to the philosophical debate about why non-profit organisations exist. This chapter will trace some of the theories that highlight components of this discussion and we will look at the discourse on values in this context.

In the United States in the 1960s, the dawning realisation of the economic significance of the non-profit sector brought it to the attention of economists who then began to develop

theories to explain its existence. These theories will be explored in relation to their ability to increase our understanding of the Irish voluntary sector.

One of the aims of this study is to establish what values are important to managers in the voluntary sector in Ireland. Consequently, the literature pertaining to values will be examined to determine a suitable instrument for their measurement. A further aim of this study is to examine the relationship between values and the practice of management. The management practices that will be explored are management style, motivation and performance, strategic planning and change management and human resource strategies. Consequently, the literature pertaining to these will be reviewed..

3.1 The Non-profit Sector Globally

Non-profit organisations exist around the globe in developed countries and the third world, in the East and the West. In fact, it appears that the sector is thriving as Salamon *et al.* (1999) describe a ‘global associational revolution that is underway, a massive upsurge of organised, private, voluntary activity in literally every corner of the world (1999: 4). This growth is particularly in evidence in the newly democratised countries of Eastern Europe, where Salamon *et al.* (1999) refer to ‘the rebirth of civil society’ to describe the resurgence of voluntary activity since the fall of Communism in 1989 (1999: 33).

Until the last decade, however, scholarly interest in the sector, both internationally and in Ireland, was very limited. As recently as 1998, Salaman *et al.* referred to the non-profit sector as the ‘lost continent’ (Salamon, Anheier and Associates 1998: 2) while Hudson (1999) describes it as the ‘undiscovered sector’ (1999: 1). This paucity of research is now changing. Recent years have witnessed an upsurge of interest, particularly in the developed world, in the non-profit sector. The Johns Hopkins Comparative Non-profit Sector Project (CNP) (Salamon *et al.* 1999) attempted to fill some of the gaps in knowledge as it was realised that the sector’s ability to participate in research was seriously impeded by a lack of basic information about itself and how it operates. For the first time, empirical data such as the size, scope, structure, and financing of the non-profit

sector in a significant number of countries scattered widely across the world became available. A number of key findings that emerged from the project, dispelled some previously held misconceptions about the non-profit sector.

The first finding of the CNP was that, aside from its social and political importance, the non-profit sector is a major economic force, accounting for significant shares of employment and national expenditure. Furthermore, the sector attracts a considerable amount of volunteer labour. An average of 28 percent of the population in the countries under review, contributed their time to non-profit organisations.

The second finding related to the variation in the size of the sector between countries and regions. The non-profit sector was generally larger in the more developed countries and less in evidence in Latin America and Central and Eastern Europe. The authors suggested that the variation in the size could have had as much to do with the availability of resources as the presence of social or economic needs. When volunteers were included, Western Europe had the most highly developed non-profit sector.

Hitherto, the assumption had been that the US had the largest sector, when measured as a share of total employment. The Netherlands, Belgium, Israel and Ireland all have larger non-profit sectors than the United States. Furthermore, the data from the 22 countries studied demonstrated that, contrary to popular belief, there was no relationship between the levels of government welfare support and the size of the non-profit sector. In 11 of the countries studied with relatively high government spending on social welfare, five of them had fairly small non-profit sectors. On the other hand, of the 11 countries that had relatively low levels of government welfare intervention, eight had relatively small non-profit sectors.

The third finding referred to the domination of welfare services in the non-profit sector. The study showed that two-thirds of all employment in the non-profit sector is concentrated in welfare, education, and health, although almost three-fifths of all volunteers work in recreation and social services. The study noted regional variations,

with the non-profit sector being dominated by welfare services in Western Europe, reflecting the traditional role of the Catholic and Protestant Churches in education and social services. The study drew attention to Ireland where the Catholic influence has been particularly strong. Here employment in non-profit schools alone accounts for six per cent of the non-agricultural workforce.

Interestingly, the data also showed that there were five distinct models of non-profit structures in the 22 countries studied that reflected not only regional alignments, but also national particularities. The five models were education-dominant, health-dominant, social services-dominant, culture/recreation-dominant, and balanced. The most prevalent model, and the one that applies to Ireland, was education-dominant. The authors commented that the distinctive feature of this model was the heavy concentration of non-profit employment in education, reflecting the prominent presence of the Catholic Church and its involvement in primary and secondary education. In Ireland, health services were the second largest employer after education.

The fourth finding of the CNP refers to the distinctive revenue structure of the non-profit sector. Contrary to conventional thinking, private philanthropy from individuals, companies and foundations, accounted for only 11 per cent of non-profit income on average. Fees and public funding account for the majority of the revenue, although there is some variation between countries. The 22 countries are divided into a 'fee-dominant' group, where fees and charges are the main source of revenue or a 'government-dominant' group where the major source of revenue is in not fees and payments but public sector grants and contracts (1999: 25). As we saw in Chapter 2, Ireland falls into the government-dominant group. The authors concluded that public sector support in 'government-dominant' countries is a critical factor in the growth of non-profit organisations.

The fifth and final finding of the CNP is that the non-profit sector is a major employer. Non-profit employment in the eight countries for which data was available grew by an average of 24 per cent between 1990 and 1995 compared with overall employment

growth in these countries of eight per cent. Social services were the main source of growth in Western Europe. An interesting trend of ‘marketisation’ emerged from the data, which revealed that the growth in employment in the non-profit sector was due to substantial increases in fee income, rather than philanthropy or public funding (1999: 31).

As a result of their findings, the authors of the CNP highlighted some of the implications for the non-profit sector. In developed countries they identified that the sector needs a ‘renewal strategy to help preserve and regain the sector’s true identity and core values’ (1999:36). According to the CNP, the non-profit sector also needs to develop accountability and effectiveness measures so that they can demonstrate the worth of what they do. To ensure a meaningful level of independence from government an expansion of private philanthropy is suggested.

3.2 Economic theories

One of the conclusions drawn from the CNP data was that the form the non-profit sector takes in a particular country is not accidental. Rather ‘it is a reflection of a particular constellation of cultural, historical, political, and economic forces that are at work’ (Salamon *et al.* 1999: 24). This view is consistent with Salamon and Anheier’s social origins theory (1996), already cited, that argues that the non-profit sector cannot be understood without reference to the culture and context from which it emerged. Other theories that attempt to explain the existence of the sector are considered now as social origins theory is discussed in greater detail later.

Given the significant contribution that the non-profit sector makes to a national economy, it is not surprising that it was from the discipline of economics that theories to explain the existence of the sector first emerged. Most of the serious theoretical work on the non-profit sector began with economics in the 1970s. Hansmann (1987) suggests that this timing was not accidental. It reflected the recent growth in the size and scope of the

sector in the United States. Hitherto, the non-profit sector in the United States consisted mostly of charities that existed on philanthropic contributions. By the late 1960s, however, the character and scope of the non-profit sector began to change considerably, particularly in health care and education. It began to receive large amounts of public subsidies and thus began impacting on public policy. The resulting prominence brought it to the attention of economists. Three main economic theories emerged that attempted to explain the origins and factors that influenced the growth of the non-profit sector. The first of these is the public goods theory (Weisbrod 1974).

3.2.1 Public goods theory

This theory posits that non-profits serve as private producers of public goods. According to Weisbrod (1974) government only tends to provide public goods at a level that satisfies the average consumer. Consequently, there will be some unsatisfied demand from those who would consume more of these services than the average consumer. Non-profit organisations fulfil this demand by providing services in addition to those supplied by government. Weisbrod's theory is relevant insofar as it applies to those non-profit organisations that provide services that have the character of public goods. However, services such as childcare provided by a non-profit children's agency or medical care in a non-profit hospital more resemble private goods. This theory does not explain why non-profits rather than for-profits fill the unsatisfied demand, nor does it adequately explain the emergence of the voluntary sector in Ireland that existed prior to state provision of social services.

3.2.2 Contract theory failure

Contract theory failure (Hansmann 1987) attempts to address some of the deficiencies in Weisbrod's theory. Hansmann suggested that non-profits arise in situations in which ordinary contractual arrangements do not provide consumers with adequate means to monitor the service providers or where consumers are unable to evaluate accurately the quality of the service provided. For example, parents may not be able to judge the quality of a childcare service for under-threes as a young child is unable to articulate his/her

feelings. Parents may, therefore, feel more comfortable using a non-profit service in which they can place more trust.

Contract failure theory, however, cannot account for the existence of all non-profit organisations as consumers of some non-profit services are well able to judge the quality of the services provided. In Ireland, furthermore, many voluntary services target disadvantaged or marginalised people (Donoghue 1998, Fahey 1998) who are often not in a position to evaluate the quality of services provided, nor is there always a choice of service, regardless of the quality of the service provided.

3.2.3 Consumer control theory

A third theory, consumer control theory, emerged associated with Ben-Ner and Gui (1993). Consumer control theory argues that non-profit organisations are necessary to bring an organisation's choices into line with the wishes of consumers and donors rather than the interests of management. This consumer-control element is necessary for a non-profit organisation to exist and function. There has been little empirical research done, however, to demonstrate that consumers of non-profit organisations exercise more control over management than in other types of organisations. Indeed it could be argued that for-profit organisations are more consumer driven than the non-profit or public sector.

3.3 Non-economic theories:

While economic theories originally dominated the field, theorists from other disciplines are now contributing to the debate. Salamon (1987) took issue with these economic theories that explained the existence of the voluntary sector in terms of the failures of market systems or government, of filling in where other systems fell short.

3.3.1 Nonprofit/government partnership model

Salamon (1987) suggested a model, called the non-profit/government partnership model, earlier mentioned, that sees the voluntary sector as the preferred mechanism for providing collective goods, and the government as the residual institution, providing goods and services to fill in the gaps left by the voluntary sector. He identified four areas of voluntary sector failure that justifies government intervention: philanthropic insufficiency, philanthropic particularism, philanthropic paternalism and philanthropic amateurism. Philanthropic insufficiency refers to the limited ability of the voluntary sector to generate sufficient resources on a wide enough scale, and reliable enough, to cope with the needs of a post-industrial society. Philanthropic particularism is the tendency of the voluntary sector to concentrate on particular sub-groups of the population.

Salamon (1987) contends that this can also be cited as one of the strengths of the sector in that it can provide services to particular sections of the population on a geographic, ethnic, or disadvantage basis. It can be seen as a weakness, however, as gaps in availability or provision of services can occur. A further limitation of particularist philanthropy is that it can result in duplication of services, as there is no mechanism for the overall co-ordination and planning for the most efficient use of resources. A third limitation on voluntary provision is philanthropic paternalism. This is related to the final limitation, philanthropic amateurism, which is associated with the historical roots of the sector, when well meaning but untrained volunteers dispensed aid to the poor and disadvantaged

Salamon (1987) argued that these weaknesses of the voluntary sector correspond with government strengths. The government is able to establish priorities based on democratic principles rather than the whims of generous donors, to generate a reliable stream of income, to make access to services a right rather than a privilege and to insist on quality standards of care. Thus, looked at from this angle, government funding of voluntary organisations represents a fit between the respective strengths and weaknesses of the two. Salamon (1987) viewed the relationship as a partnership characterised by the

government's need for efficiency, accountability and economy against the non-profits need for self-determination and independence.

This partnership model theory does not adequately explain the emergence and growth of the voluntary sector in Ireland, however. As articulated in the White Paper, 'Supporting Voluntary Activity', (Department of Social, Community and Family Affairs 2000) the government describes a partnership approach in its relationship with the voluntary sector. Up until the publication of this White Paper, however, there was a policy vacuum with regard to the relationship between the voluntary sector and the state with little in the way of rational planning as suggested by Salamon's theory.

3.3.2 Values expressive theory

James (1989) developed a values-expressive theory, referred to in Chapter 1, that suggests that those people motivated by values use voluntary organisations to give expression to and promote their particular ideology. James notes that universally, religious groups are the major founders of non-profit institutions. Thus, the religious motive provides a powerful explanation for the emergence of non-profits, their use and for the particular services they provide. James notes that the majority of non-profits provide either health or education services. This values-expressive theory certainly finds resonance in Ireland where many voluntary organisations were established and run by religious orders (Fahey 1998) in the nineteenth century, and up until the mid-twentieth century.

It does not explain, however, what Donoghue (1998) refers to as a 'sea change' (1998: 2) in the 1960s and 1970s when local voluntary and community organisations emerged to tackle problems such as drug abuse, poverty and unemployment. While the religious based organisations tended to emphasise a charitable approach to helping the 'poor' and 'needy' (Faughnan and Kelleher 1994), principles of empowerment, citizens rights, solidarity, and local action informed the work of these new, emerging organisations (Kramer 1990, Jeavons 1992, Donoghue 1998).

3.3.3 Social origins theory

A further theory worthy of mention, social origins theory, developed by Salamon and Anheier (1998), referred to earlier, argues for a more contextual approach to theorising about the voluntary sector. Social origins theory suggests that the political and cultural embeddedness of the sector is significant in terms of its size, role, and funding sources. To understand the sector it is necessary to explore the history, social class, politics, government, and interest groups in a society.

Social origins theory and values-expressive theory are most pertinent for the current study. For example, Donnelly-Cox and Jaffro (1999) attribute the myth regarding the ‘goodness’ of the sector in the Republic of Ireland to the impact of the dominant religious ethos of Catholicism. They further suggest that the ‘values of the organisations the voluntary sector comprises have had a significant impact on the management and running of the sector’ (1999: 10).

3.4 The role of the third sector

The various theories above have attempted to explain why non-profit organisations come into existence. It is now pertinent to ask what role these organisations play internationally and in contemporary Ireland. Faughnan and Kelleher (1994) highlight the positive role of the Irish voluntary sector. They highlight the sectors ‘capacity to act independently of the government, by providing channels for citizen involvement, widening the range of choice available, redistributing resources and contributing to more diverse and decentralised institutional structures’ (1994: 11). In America, similar sentiments have been expressed. In a memo to an interagency task force, Bill Clinton (1999) extolled the virtues of the non-profit sector.

‘Non-profits are uniquely able to identify problems, mobilise fresh thinking and energy care for those in need on a human scale and promote social change at the community level’ (1999: 2128).

Internationally, there is increasing public debate on the proper role for the ‘third sector’ as the non-profit sector is sometimes referred to. Lord Dahrendorf (1994), a German sociologist in the English House of Lords, believes that the needs of democracy are best served by the state interfering as little as possible in the non-profit sector, while Nicholas Deakin (1997) a renowned academic, advocates for state support of the voluntary sector. In the United States, the trend is toward minimal state intervention and support while encouraging the non-profit sector to fulfil needs not met by the state.

3.4.1 The Voluntary Sector and Civil Society

Questions about origins and role bring us to the philosophical question of the sector’s place and role in society. Do we want a sector that is ‘a thriving and vibrant entity’ (Donoghue *et al.* 1999: 29) and if so, how can we best safeguard its existence? In its White Paper (Department of Social, Community and Family Affairs, 2000), the Irish government pointed out that the community and voluntary sector plays a pivotal role in helping to create a vibrant civil and active community in which individuals are encouraged to fully participate. The government believes that the voluntary sector is an essential component of democracy and that ‘civil society is greatly enriched when ordinary citizens come together in voluntary action, community involvement and self-help initiatives’ (2000: 60).

Voluntary organisations are often equated with civil society. Civil society is a generic term to describe the network of community associations, relationships and organisations that are at the heart of democratic society. At a basic level, civil society is a population of groups separate from state and market that play a significant role in social, political and economic life. As with the term voluntary sector, definitional difficulties with the use of the term civil society abound. Edwards and Michael (1998) contend that the term civil society is best used in a normative context as attempts to distinguish it from other

sectors of society breaks down in boundary disputes over what constitutes ‘state’, ‘market’, and ‘civil society’.

In reality, civil society can only be understood in the context from which it emerges. The Scottish Enlightenment theorists thought of civil society as ‘an ethically obtainable ideal’ (Seligman 1992: 26). In Poland in the 1980s, civil society represented a triumph of individual freedom of association over the power of an autocratic state. According to Nicholas Deakin, previously cited as one of the foremost supporters of civil society, there was a consciousness in Poland that they were constructing something that had existed previously. In South America, civil society was driven by liberation theology and was associated with left activists who opposed the military regimes. The work of Robert Putnam (1993) on the decline of social capital led to the term being used to denote norms and values of a democratic society. Putnam (1993) believed that the bottom was hollowing out of civil society, that its numbers were declining, and that it no longer had strength and vitality.

3.4.2 Civil Society and the State

The scholarly use of the term civil society in the United States is often closely tied to major foundations and philanthropy and puts forward a vision of a ‘third sector’ against state and market characterised primarily by private, non-profit, voluntary organisations (Hall 1987). These researchers tend to support the ‘public-private partnership’ that encouraged the growth of non-profit organisations as service providers under the welfare state (Salamon 1995). In North America in the 1980s, conservatives attacked the non-profit sector as an extension of the liberal welfare state but encouraged the idea of civil society as it appeared to lack the interest groups, advocacy and social movements associated with the left (Foley and Edwards 1998). Furthermore, confidence in the ability of the state to deliver the necessary services was diminishing. According to Deakin (2002), ‘the state has stopped being a Leviathan. Therefore, we must be

concerned with civil society as the state withdraws'⁶. Its proponents consider these civil society organisations as essential to democracy and a bulwark against market forces.

This view of the role of the non-profit sector was not restricted to the United States. Salamon *et al.* (1999) suggest that the upsurge of voluntary activity around the globe represents organisations looking for a 'middle way' between sole reliance on the market and sole reliance on the state.

'Because of their unique position outside the market and the state, their generally smaller scale, their connections to citizens, their flexibility, their capacity to tap private initiative in support of public purposes, and their newly discovered contributions to building capital, civil society organisations have surfaced as strategically important participants in this search for a 'middle way' (1999:5).

Each of the different approaches raises different expectations about the role of civil society in modern society and how state and society should interact. Neo-Tocquevillean's emphasise its socialisation function. The associational aspect of civil society is thought to play a major role in building citizenship skills and motivating people to contribute as citizens. This socialization role is in addition to the many and varied social aid and assistance functions it carries out.

Other writers stress civil society's representative functions. It gives a voice to minority interests, stimulates public debate and pressurises government to act on behalf of the powerless or to protect public interest. Eastern European and Southern American writers are more likely to emphasise the oppositional role of civil society and the freedom of association *vis-a-vis* the power of the state. Putnam (1993) in *Making Democracy Work* was influential in advocating for a civil society in which association tends to produce civic engagement through the social capital it produces. Putnam believes that association *per se* produces habits of co-operation and trust that healthy democracies need.

⁶ Deakin, N. (2002), 'In Search of Civil Society', Speech to European Third Sector Network, Cumberland Lodge, Windsor Great Park, February.

Fukuyama (1995) takes up the issue of trust and democracy in his book *Trust: The Social Virtues and the Creation of Prosperity*. Fukuyama (1995) asserts that the level of trust inherent in a national culture can impact on the economic development of a country by lowering transaction costs, which leads to a more prosperous economy by promoting market efficiency. By contrast, lower levels of mutual trust, or insufficient levels of social capital cause higher transaction costs in a society. Fukuyama believes that a general level of trust within organisations and between organisations is necessary for lowering transaction costs. Fukuyama (1995) contends that cultural tendencies trickle down to the firm level and he furnishes many interesting examples from around the world. For example, Japan is a high-trust society, France and Italy are low-trust societies.

Thus, what is emerging from the above discussion is that at the core of the contemporary debate about civil society is the role of the state in relation to the voluntary sector. Much of this debate evolves around a notion of society based on individualism or collectivism. Hofstede (1980) defined collectivism as the relationship between the individual and the collectivity that prevails in a given society. The founders of the welfare state in England embraced the collectivist ideal based on a notion of every citizen entitled to rights in relation to housing, social security, health and education. This entitlement went hand-in-hand with the concept of duty, since an entitled citizen could live an active and fulfilling life (Powell and Guerin 1996). By the 1970s disillusionment with the welfare state set in as it became clear it could not live up to its promises. The anti-collectivists, championed by Margaret Thatcher in England and Ronald Reagan in the United States, argued that the welfare state, and, by association, non-profit organisations created dependent individuals, sapped of initiative and relying on the state for their basic needs to be met.

In the 1990s, a new debate got under way. In this debate civil society is considered a 'good' society. Its exponents seek to reconcile the consequences of a globalised market with a form of active citizenship in which the individual makes a moral commitment through engaging in the community. 'At the heart of civil society is trust, empathy, compassion and participation' (Powell and Guerin 1997: 21). This concept of civil

society is contrasted to the uncertainty, scepticism and disillusionment associated with post-modernism. The renewal of civil society has been associated with demands for a larger role for voluntary welfare provision. These 'new communitarians' (Etzioni 1994) promote the fostering of intermediate institutions such as the family, church and schools as a source of moral and social cohesion in a globalised market economy. This revitalised civil society is also seen as an alternative to the state sector that has lost its legitimacy in the face of large bureaucracies controlled by professional elites. Opponents of this development argue that expecting civil society to deliver services may not be in the best interests of the people who receive the services as it allows the state to abrogate its responsibility.

3.4.3 Civil society in Ireland

We know from the White Paper (Department of Community, Social and Family Affairs 2000) that civil society is considered by the Irish government to be an essential pillar of democracy and the voluntary sector an essential pillar of civil society. It behoves us thus, to consider if the sector is in a position to take on this central role in society. Are the concerns, raised by Salamon (1996) and others, regarding a crisis of legitimacy in the sector relevant to the voluntary sector in Ireland?

Research in University College Cork (Powell and Guerin 1996) confirmed that Ireland enjoys a vibrant voluntary sector with wide support for civil society but that it faces difficulties in the recruitment of volunteers. It is worthy of note that the National Committee on Volunteering (2002) identified the use of volunteers as a key element in the legitimisation of a voluntary organisation. Powell and Guerin (1996) suggest that this decline in volunteers could represent a decline in civil society. It could also represent the crisis of legitimacy that the non-profit sector in the United States is experiencing.

We can now return to the question posed at the beginning of this chapter regarding the role of the non-profit sector. While the debate continues in the international literature, nevertheless, there appears to be a consensus of sorts that the role of the sector in society is broader than the provision of services. This broader role is related to societal values, of

the kind of society we want to live in. For some, civil society represents the power of democracy over authoritarianism, for others civil society is an essential pillar of democracy in the face of the power of large bureaucratic organisations, or against the growing tide of government intervention. In the post-modernist world, proponents of civil society view it as a necessary bulwark against some of the consequences of globalisation.

In summary, from the literature so far we have identified that the non-profit sector contributes significantly to a nation's economy. We also discovered in the first chapter that values are one of the defining characteristics of non-profit organisations (Kramer 1987, O'Neill and Young 1988, Jeavons 1992,). From a philosophical perspective, we saw that voluntary organisations are an essential component of civil society, which many commentators believe is crucial in a modern democracy. Thus, values are not only a significant feature of voluntary organisations, it seems that values are at the very root of their existence and of the role of the non-profit sector in society. If voluntary organisations play such a central role in society, and if values are crucial to this role, it is worth exploring these values in the context of voluntary organisations. These next sections will now go on to examine the contributions from the literature with regard to values and management practices in voluntary organisations.

3.5 Role of values

Values is a construct used to explain behaviour so that our behaviour or the behaviour of others appears consistent and integrated rather than totally situational or random. Despite the acknowledged role that values play in voluntary organisations, there is little in the way of empirical research to substantiate these claims. We must, therefore, turn to the literature on values to explore why they are considered important. Although there has been a significant amount of academic research over the past 25 years, there is little consensus about what constitutes a value. Theorists have likened values to beliefs (Rokeach 1973, 1979), needs (Super 1973), goals (Schwartz and Bilsky 1987, 1990) and attitudes (Eagly and Chaiken 1992). White (1967) refers to values as operating in 'sets',

which then become a person's style. Hofstede (1980) provides a definition of values as 'broad tendency to prefer one state of affairs over another (1980: 21). Most theorists agree that values are standards or criteria for choosing goals or guiding action and are relatively enduring over time (Kluckhohn 1951, England 1967, Schwartz and Bilsky 1987). They are attributed to having a significant influence on the affective and behavioural responses of individuals (Rokeach 1973). Changing values are often evoked explanations for a variety of social ills (Etzioni 1993), employee problems in the workplace (Nord *et al.* 1988), and a purported increase in unethical business practices (Covey 1991).

Schwartz and Bilsky (1987) contend that values play a crucial role in a manager's decision making process as 'concepts or beliefs about desirable end states or behaviours that transcend specific situations, guide selection or evaluation of behaviour and events, and are ordered by relative importance' (1987: 550). Chakraborty (1991) supports this view as he suggests that the potential effectiveness of various management practices and motivational techniques used within an organisation depend on the prevailing cultural values and norms. Thus, what may be considered effective management practice in one type of organisation may be unsuitable in another. For example, an authoritarian manager may not be accepted in a non-profit organisation that values empowerment and participation. Managers from a particular sub-set of organisations, the voluntary sector, may vary from those in other organisational types in their basic conception of what constitutes appropriate management practices. The implications are that the non-profit sector must be studied within its own unique context, therefore, in order to understand the important determinants of effective management practice.

Schwartz (1996) defined values as 'desirable, trans-situational goals, varying in importance, that serve as guiding principles in people's lives (1996:2). According to Schwartz there is a dynamic relationship between values, (refer to Table 2, page 93) with the pursuit of adjacent values being compatible, (for example, power and achievement and stimulation and self-direction), whereas the pursuit of opposite values generates conflict (for example, power and universalism). According to Schwartz, individuals who

score high on universalism tend to stress benevolence and self-direction. Schwartz emphasises the role of values as predictors of social behaviours. Since individuals experience values as relevant when making choices that have implications for the expression or attainment of their goals, they will also experience conflicts when it comes to choices that have mutually contradictory implications for the realisation of some of their values. For example, the pursuit of personal success (achievement) is likely to interfere with the adherence to the preservation and enhancement of the welfare of other people (benevolence), thus forcing individuals to make choices among competing value categories. Schwartz also noted the possibility of some cultures having other significant values in addition to the ten core values. Therefore, he invited researchers in their respective countries to come up with other, possibly left-out values. However, the additional values proposed were analysed for correlations with the ten values and proved that the ten values did not exclude any significant types of basic values.

The Schwartz Value Survey (1992) has been used in a variety of applications. For example, Vanhatalo and Sethi (2001) used it to examine the relationship between parenting styles and social background, Aitken (2000) applied it in business team leadership research, Grunert and Juhl (1995) applied it in consumer behaviour research to explore how values impacts on the buying of certain types of foods, and Feather (1995) used it in Australia to explore values in relation to national identification issues.

Although values are considered by most theorists to be stable (Jones and Gerard 1967, Nord *et al.* 1988, Rokeach 1995) and relatively permanent under some circumstances they are capable of being changed. Rokeach and his colleagues (Rokeach and Ball-Rokeach 1989) found that values can be changed using interventions that produce self-dissatisfaction. In relation to the effect of values on behaviour most theorists agree that values directly affect behaviour in that they encourage individuals to act in accordance with their values (Rokeach 1973, Williams 1979). In this regard values are one of a number of forces that affect behaviour (Rokeach 1973). Values should, therefore, have their greatest impact in the absence of task and situational variables that affect behaviour in other ways. So, while values affect general modes of behaviour, circumstances or

events may intervene that change this relationship. For example, during wartime or famine individuals may feel compelled to act contrary to their values. A person who espouses values of benevolence or self-respect during wartime may act in ways that conflict with those values.

The psychological mechanisms responsible for the effect of values on behaviour depend, in part, upon whether the behaviour itself is public or private. Because values specify modes of conduct that are socially desirable, the threat of social sanctions (for example shame or punishment) will induce individuals to conform to dominant social values in their public actions (Kluckhohn 1951). This inducement will be present whether or not and individual's internalised values conform to dominant social values. The mechanism that operates in the case of private behaviour is a form of self-sanction. An individual's internalised values function as personal standards of conduct. Any actions, therefore, that are inconsistent with these values will result in feelings of shame, guilt or self-depreciation (Kluckhohn 1951). Thus, individuals exhibit value-related behaviour in private to avoid negative internal feelings. Because value-inconsistent behaviour produces such negative feelings, individuals who fail to act, or are prevented from acting, in accordance with their values exhibit lower levels of satisfaction.

In assessing the relationship between values and behaviour, there is also a distinction in the literature between values that are 'espoused' from those that are 'in use' (Argyris and Schon 1978). Because values are socially desirable, there are strong pressures to publicly express and validate values whether or not they are held internally ('in use'). When an individual's values are different, therefore, from those that are prevalent in his or her social environment, the values of the social environment may influence what the individual says, but may not predict how she or he will actually behave.

At a macro level, in a study of the impact of values and value change on beliefs in government, Van Deth and Scarborough's (1995) research indicates that across much of Western Europe, value orientations are shifting. They argue however, that completely 'new' values are not emerging; rather there is a more complex process at work in which

less prescriptive, individualistic interpretations of long-standing values are applied to emerging issues such as environmental pollution. They also found that, while traditional values are fading and self-reliance is increasing yet the need for belongingness and connectedness-to-others is essential for the happiness and self-esteem for most people. Perhaps this common-felt need to retain these associational values explains the increase in civil society around the world described by Salamon (1994) and why the voluntary sector in Ireland has been described as ‘a thriving and vibrant entity’ (Donoghue *et al.* 1999: 29). Perhaps these values of connectedness and belongingness are also associated with the role of civil society in overcoming some of the consequences of globalisation, referred to earlier in this chapter.

3.5.1 Values and organisations

If values influence our national culture, guide our actions and influence our goals, how do they impact at an organisational level? Schein (1985) views values as a major component of organisational culture. He considers artefacts such as technology and art as located at the visible level of culture. Values are located at a conscious level below this that allows for some awareness. He refers to them as espoused values that focus on what people say and think as reasons for their actions. Over time, as these values are reinforced through continued application, they turn into assumptions. These assumptions are unconscious, invisible and taken for granted. Schein (1985) considers these assumptions as the actual reasons that govern behaviour.

It is generally accepted that individuals establish relatively stable values through life experiences and that organisational socialisation is unlikely to alter the basic value structure an individual brings to the organisation (Lusk and Oliver 1974). Judge and Bretz (1992) investigated the effects of values on job choice decisions. They found that values have an important influence on job seekers’ decisions when information about organisational value systems is known. They found that concern for others, achievement and fairness tended to exert more influence in the decision making process than did pay or promotional opportunities and, furthermore that values are an important determinant of

person-organisation fit. On the effect of values on decision-making, Ravlin and Meglino (1989) suggest, 'values are hierarchically organised in memory, and...that people will find opportunities... to apply their dominant value in uncertain situations' (1987: 672).

In conclusion, the literature tells us that by the time we come to work in an organisation our values are already firmly in place and unlikely to be changed. Furthermore, the set of values we hold may affect the choice of organisation we work in. Once established in the organisation values will influence decision-making and power networks.

A central thesis of this current study is that values have a profound impact on management practices in the non-profit sector. Understanding differences in values and value dimensions is, therefore, crucial to ensure a fit between values and management values. Why does this study look at the relationship between values and management practices from the perspective of the managers? To answer this it is necessary to understand why leaders are considered important in organisations and what impact do they have. As the survey and the subsequent interviews for this research were targeted at the most senior person in the organisation, they are thus regarded as the leader.

The reasons for concentrating on the views and perceptions of managers stem from agreement in the literature that leaders are pivotal in the determination and shaping of values in an organisation. Selznick (1957) attributes the maintenance of an organisation, and its institutionalisation to the leader, as s/he infuses the organisation with values. This process of infusing values into an organisation is considered crucial for its formation of a distinct character. In 1984 Hambrick and Mason presented the 'upper echelons' theory that highlighted the significant role of leaders in organisations. They proposed that senior managers make decisions based on their cognitions and values and that the organisation thus becomes a reflection of its top managers. Thus, leaders' values impact significantly on the organisation, and indeed, become identified as the organisational values.

While authors such as Schein (1991) argue in the more recent literature that culture comes into existence at the birth of the organisation, most of them seem to agree with

Selznick (1957) that the leader is the major force in shaping, maintaining, and perpetuating culture in an organisation.

According to Bennis and Nanus (1985) the leader is the emotional and spiritual resource for the organisation. Robbins and Duncan (1988) argue that the initial task for a leader is to pay attention to and make sense out of what is going on in the environment and determine what part of the environmental events are important for the organisation's future. The leader thus sorts out for the organisation the things to which it should pay attention. It is here that the leader's personal values begin to shape the organisation's vision, since the leader's values influence what s/he thinks is an important organisational focus. In order to explore the relationship between managers' values and management practices, the perspective of the managers is important, therefore, as the literature tells us that leaders determine organisational culture and values.

3.6 Management style

The focus of this study is not only on managers' values, but also how these values translate into management practices in voluntary organisations. The first aspect of management practices that will be addressed is management style. Managerial style can be defined 'as the way a manager achieves results' (Rees and Porter 2001: 80). Styles are generally viewed as being neutral, what is important is that style matches the situation. Due to the inconclusive results of trait theorists who attempted to understand leaders based on their particular inherent characteristics or traits, researchers began to view leadership as a set of behaviours, how leaders related to other people, their communication skills, and their ability to attend to tasks and achieve objectives.

One of the first theorists who attempted to categorise the different ways in which people managed was McGregor (1969) distinguished between managers who managed in a Theory X style and those who managed in a Theory Y style. Theory X managers assumed that employees needed close supervision and control, would avoid work if they

could, did not want to accept responsibility and had to be coerced to achieve company objectives. Theory Y managers assume that work is a natural activity, that organisational goals and individual goals can complement each other, that employees will assume responsibility under the right conditions, and that emotional satisfaction can be achieved from work. The value of this classification is to identify the assumptions of managers and to see how assumptions are reflected in management practices.

Other style theorists focused on the behaviours that managers engaged in, including such things as leaders' interpersonal skills (consideration) and their ability to attend to tasks (initiating structure). Quite a few studies were carried out about leaders' interpersonal skills and their focus on the task (Bass 1981, Hinde and Groebel 1991, Chemers and Ayman 1993, Zander 1994, Behling and Mc Fillen 1996, Cooper 1997, Hutchinson 1998). These approaches to research can be summarised as the style approach to leadership. The style approach emerged from three different sources, the Ohio State University studies, the University of Michigan studies and the work of Blake and Mouton (1964). Researchers at Ohio State developed a leadership questionnaire, which identified initiation of structure and consideration (concern for people) as the core leadership behaviours. The Michigan studies came up with similar findings but called the leaders' behaviours 'production orientation' and 'employee orientation'

Using the Ohio and Michigan studies as a basis, much research has been carried out to find the best way for leaders to combine task and relationship behaviours. As in trait theory, the results have not been conclusive, as researchers have been unable to come up with one best style of leadership that fits every situation. Perhaps this inability to come up with one best style of leadership to fit every situation merely reflects reality.

Another influential approach that differentiates managers' style is Blake and Mouton's (1981) managerial grid. The grid is based on the concept of managers having two potentially conflicting centres of attention: employee needs and task needs. According to Blake and Mouton, most managers tend to focus on either the task or their employees. In

their view, the most effective managers displayed characteristics of both perspectives. This current study will address the values of managers in voluntary organisations.

3.7 The Schwartz Value Survey

The literature reviewed showed that leaders are important as they influence outcomes and they determine the value structure of organisations. To investigate the values of leaders in the non-profit sector an instrument was needed that would measure these values. The Schwartz Value Survey (SVS) was chosen because it provides a well-developed, robust instrument that measures values trans-nationally and cross-culturally. The SVS consists of 56 values. Each of the values is measured on a nine-point Likert scale that ranged from opposed to my values (-1) through important (3) to of supreme importance (7). These 56 items can be reduced to ten universal subdimensions, which are almost as robust as the 56 and have the added advantage of being easier to administer and work with (Schwartz and Sagiv 1995, Stern *et al.* 1998).

According to Schwartz (1992), these values existed along a continuum of Openness-to-change versus Conservation and Self-enhancement versus Self-transcendence.

Table 2: Schwartz' (1992) value dimensions

Individualism	<i>Collectivism</i>
<p>Self –Enhancement</p> <p>Power Achievement Hedonism</p>	<p>Openness-to-Change</p> <p>Stimulation Self-direction</p>
<p>Self-Transcendence</p> <p>Universalism Benevolence</p>	<p>Conservation</p> <p>Tradition Security Conformity</p>

The Openness-to-change-Conservation continuum contrasts the extent to which individuals are motivated to follow their own intellectual and emotional interests versus the extent to which they are motivated to preserve the *status quo* and the certainty it provides in relationships with others. Openness to change includes the values of stimulation and self-direction. Conservation comprises security, conformity, and tradition. The Self-Enhancement- Self Transcendence continuum indicates the extent to which a person is motivated to pursue self-interest, even when those interests have costs for others, whether they are friends, colleagues or the environment. Self-Enhancement consists of the power, achievement, and hedonism values. Self-Transcendence is made up of the values of benevolence and universalism. These values are set out in Table 2 above.

3.8 Performance and motivation

So far it has been established from the literature that the leader is important because the culture of the organisation emanates from the leader and, furthermore, they are responsible for the creation and maintenance of organisational values. This research is interested in exploring the relationship between values and management practices so we are now going to pursue another issue pertinent to the management of voluntary organisations, that is motivation and performance.

The question of what motivates people has been the subject of a lot of academic research. One way of considering the different approaches is in terms of the assumptions they make about human motivation and the implications of these assumptions for management practice. One approach to motivating staff is found in the reward system of the organisation, for example pension plans, job security, fringe benefits, good wages. The theory behind this approach is that managers attempt to maximise the conditions of work so people feel comfortable, happy and secure. In return for these favourable conditions, staff are enthusiastic and loyal. Studies such as Ross and Zander (1957), Herzberg (1966) demonstrated that these rewards are effective in helping companies attract and hold people but did little to contribute to motivation while the person was in the organisation.

A second approach to motivation has its roots in the scientific management methods of Taylor (1947) and is now referred to as expectancy theory. This approach is based on the assumption that a person will be motivated to work if his expectation is that rewards and penalties are tied directly to his performance. Performance based pay is one of the most obvious examples of this. There are limitations, however, to the use of this approach in some organisations, particularly in the voluntary sector. Performance-based pay relies on having the tools to objectively and reliably measure and assess performance. In the voluntary sector many jobs defy accurate measurement of performance. For example, how is performance measured where the job entails providing support to patients in a hospice or doing outreach work with drug affected young people?

The third approach to motivation is referred to as participatory management. This approach is based on the work of and Likert (1961) and McGregor (1969) amongst others. Participatory management assumes workers derive satisfaction from the work itself and they take pride in performing to the best of their ability. The assumption is made that if a worker has a degree of autonomy, and is allowed to exercise initiative in how a job is performed, then s/he will regard the job as more of a challenge, than if s/he is told exactly what to do, and how to do it.

This approach defines a different role for the manager. Rather than an authoritative approach the manager views his/her role as enabler, supporter and mentor. Rewards and compensation do not play a part in this approach. Incentives to perform effectively are considered to be in the job itself or in the individual's membership of a team. The task of the manager in this environment is to create the appropriate conditions to enable a worker to perform to the best of their ability.

Maslow (1965) has speculated that the principles of participative management are more applicable to people with strong needs for self-actualisation at the higher end of his hierarchy. For example, not everyone will have progressed to the top of Maslow's hierarchy of needs, therefore, a participatory approach to management may not be appropriate.

Turning now to performance, there is general acceptance both at an academic level and a practice level that indicators are difficult to develop and apply in the voluntary sector. Performance measurement systems are mechanisms to guide an organisation toward achieving its purpose (Zeibel and DeCoster 1991). Traditionally, such systems have been cumbersome, complex, imperfect and often flawed (Ridgeway 1956, Etzioni and Lehmann 1967, Baumler 1971, Hopwood 1974, Scott 1981). Traditional performance measurement systems of non-profit organisations have been decidedly uncomplex, focusing mostly on constructs such as inputs, processes and outputs with a view to

evaluating efficiency, and effectiveness (Anthony and Hertzlinger 1980, Abernethy and Chua 1994, Osborne *et al.* 1995, DiMaggio 1996).

The goals of non-profit organisations are often ambiguous because of conflicts over perceived stakeholder interests and a lack of knowledge about relationships between measures and goals (Warner 1967, Hofstede 1981). Goals often are broad and value-laden, representing such performance outcomes as improved quality of life, or better self-esteem. Such goals are typically long-term, altruistic, intangible and qualitative. There is thus no single measure of success (Anthony and Young 1988, Drucker 1990). Simple numerical counts are insensitive to a range of intervening and relevant variables. Thus more sophisticated research tools are needed such as standardised measures which are developed and validated for specific client populations or organisations or client satisfaction analyses which provide insights into perceptions of quality and satisfaction (Kuechler *et al.* 1988: 69). True effectiveness measures need to be concerned with short-term and long-term outcomes to assess permanent change in behaviour (Else *et al.* 1992: 514).

There is also a large body of literature dealing with attempts to provide more sophisticated analytical tools and continual monitoring. They are often developed through iterative processes; they take time and are limited by the ability to control the environmental influences such as organisational interdependence and legitimate variations between organisations (Hall and Rimmer 1994: 457). In essence, these measures are resource intensive and time-consuming, presenting two significant obstacles to evaluating performance. Alie and Seita (1997) estimated that the evaluation costs for one project in the US exceeded the total project budget.

In an environment where managing budgets is a constant juggle, and funding is only guaranteed on a year-to-year basis, such as in voluntary organisations in Ireland, for example, the infrastructure is not there to encourage managers to introduce performance evaluation. The introduction of such processes would make heavy demands on an agency in terms of resources and time. Resources and time would be taken away from service

delivery that would probably conflict with the values of the organisational leaders. Drucker (1990) and Herman and Heimovics (1989) suggest that one option open to non-profit organisations is to contract their services in response to a scarcity of resources. Contracting services to fund performance evaluations, however, does not seem a course of action likely to be chosen by managers in value-driven organisations. We will return to this issue of scarce resources in Chapter 9.

3.9 Strategic planning

Another management tool that requires the use of resources is strategic planning, which is the last management practice that will be looked at. In Chapter 9 the nature and extent of strategic planning in voluntary organisations will be looked at.

Strategic planning in the literature is considered essential for business survival and success. In fact, given the accelerated pace of change that characterises the world of organisations today, the art of strategic management and planning is becoming more necessary (Hill and Jones 2001, Wheelan and Hunger 2002). Hannagan (2002) distinguishes between an active and a passive planning strategy. A passive strategy is where an organisation simply continues to do what it has done in the past. The problem with this approach is that any company, public institution or charity is working within an environment that is changing, and to cope with this the organisation needs constant 'fixing' (Hannagan 2002).

Wheelan and Hunger (2002) identify the necessary steps in a strategic planning process. They are firstly, environmental scanning and industry analysis. Secondly, internal scanning which includes an analysis of the culture, human resource and information technology issues. Having completed the internal and external scan, an appropriate strategy is formulated which includes a review of mission and objectives and, the generation of alternative strategies. Next, comes the organising for action and, finally evaluation and control.

Most of the literature on strategic planning focuses on the for-profit sector. Newman and Wallender (1978) acknowledge that there are constraints on the strategic planning processes of non-profit organisations. Wheelan and Hunger (2002), however, suggest that many aspects of strategic planning such as SWOT analysis (analysis of strengths, weaknesses, opportunities and threats), mission statements, stakeholder analysis, and corporate governance are just as relevant for the non-profit as they are to a profit-making organisation. In fact, they identify specific strategies such as strategic piggybacking, mergers and strategic alliances that could assist non-profit organisations achieve their desired objectives. Strategic piggybacking refers to the development of a new activity by the non-profit organisation that would generate extra revenue to fund services. Merging with another non-profit organisation could reduce costs, and strategic alliances enhance the organisation's ability to serve clients or to acquire resources while still enabling them to retain their identity. Later, in Chapter 9, we will explore the degree to which strategic planning occurs in voluntary organisations and the strategies that they adopt to ensure their continued survival.

3.9.1 Change management

An essential objective of strategic planning is the management of change. Kanter *et al.* (1992) assert that the current rate of organisational change is unprecedented. Hannagan (2002) believes that unless this change is managed 'strategic drift' will occur, meaning that the organisation will find it more and more difficult to achieve its objectives (2002:181). Hannagan draws a distinction between incremental and transformational change. Incremental change is introduced in slow, incremental steps while transformational change brings about a planned but radical change in the organisation.

The advocates of strategic change perceived change as a planned, logical approach. Some theorists who challenged this view stressed the developing and unpredictable nature of change (Wilson 1992, Pettigrew and Whip 1993, Dawson 1994). The Emergent

Approach views change as a process that unfolds through the interplay of multiple variables such as context, power and consultation within an organisation.

Writing about the impact of change on voluntary organisations, Hudson (1999) draws attention to the explosive growth in management techniques in the 1990s in the United Kingdom. Total quality management, knowledge management, strategic performance management, benchmarking, and competencies were but a few. While some disappeared as temporary fads as businesses searched for anything to give them a competitive edge, nevertheless, others became the drivers for change in the business environment.

Hudson (1999) traces the movement of management ideas originating in the business schools, applied in the corporate sector, and then adopted by the third sector. He argues that the application of management techniques in the third sector used to lag the corporate sector by 10 to 20 years whereas the time lag now is more like five years or less. Quality management systems, benchmarking, strategic management and competencies have all been implemented in various degrees in the non-profit sector. Despite this there has been little empirical work done in this area. For example, Donnelly-Cox and Jaffro (1999) draw attention to the fact that little attention has been paid to how the voluntary sector's role may have been influenced by social change. This study will briefly explore the attitude of voluntary sector leaders to change and will examine the nature of change in voluntary organisations.

3.10 Human Resource Management

An organisation's human resource strategies are considered by many to hold the key to an organisation's competitiveness, ability to survive and success (Mabey *et al.* 1998, Schuler and Jackson 2001, Boxall and Purcell 2003). One of the main themes arising out of the contemporary literature is that human resources are currently, and will continue to be of such strategic importance that human resource issues should be included in the strategic decision-making processes of the organisation (Garavan 1995, Beardwell 2001).

Generally, the main resources a voluntary organisation has at its disposal are its human resources. The way employees are managed, and the practices and procedures that govern their employment is one of the key challenges that face Irish organisations (Gunnigle *et al.* 1997).

One of the most prolific scholars in the field of human resources management, Storey (1989), distinguishes between 'hard' and 'soft' approaches to managing staff. The hard approach adopts a business-oriented philosophy, which emphasises the need to manage people in ways that will obtain the maximum return from them. The soft model stresses the mutuality of interests between employers and employees and suggests that commitment from employees is gained through the development of high-trust, involvement and communication. Given that we have established that non-profit organisations are value-driven, we would expect to find a soft approach to human resource management. Furthermore, if we are looking for the concept of a 'strategic fit' between values and management practices, then we would expect that the range of human resource practices in a voluntary organisation would reflect the values and mission of the organisation,

One of the most significant developments in the theory and practice of human resource management in recent years is the move towards a more strategic focus. Strategic human resource management is concerned with aligning the human resources function with the business plan of the organisation so that it directly contributes to achieving the firm's objectives (Armstrong and Baron 2002).

It is unlikely that many Irish voluntary organisations would be big enough to merit the employment of specialised human resources personnel (in a study of human resources practices in Irish organisations, the researchers, (Gunnigle *et al.* 1997) omitted organisations with less than 50 staff on the grounds that they would be unlikely to have specialist human resource staff). Nevertheless, it would be interesting to explore whether managers of voluntary organisations conceive of their human resources in a strategic

manner. Strategic human resource planning could be particularly relevant for addressing the resourcing problem of the recruitment and retention of volunteers, for example.

3.11 Conclusion

This chapter has considered the literature in relation to the non-profit sector globally and has established that it is a significant economic force, not only in Ireland but internationally also. In relation to developed countries, one of the main conclusions of the CNP was the importance of core values for the survival of the sector. In a review of the theories that attempt to explain the existence of the sector, values expressive theory (James 1989) was found to be the most useful, not only because the issue of values is central to this thesis, but also because values have emerged from the literature as the defining characteristic of the non-profit sector. Furthermore, Salaman and Anheier's (1996) social origins theory held relevance for this research as the voluntary sector in Ireland has its own unique history, and understanding the context in which it emerged is essential to any analysis.

Continuing in this contextual vein, this chapter went on to examine the role and contribution that the voluntary sector makes to civil society in general and in Ireland in particular. It emerged that, from a philosophical perspective, society needs voluntary organisations as an expression of something that is not available elsewhere. This 'something' may be as a pillar of democracy, as an antidote to globalisation, or as a 'middle way' between government and bureaucracy. The conclusion was drawn that, not only are values integral as a defining characteristic of voluntary organisations, but that values are central to the role that the non-profit sector plays in wider society.

Having established that there is agreement that the Irish voluntary sector has a significant role to play in Irish society, and that values are an essential part of voluntary organisation, this chapter then went on to examine the literature specifically related to the research questions. The objective of this thesis is to find out what values are important to

managers in voluntary organisations and to explore the relationship between these values and management practices. The literature pertaining to values was reviewed to understand their role and function. Furthermore, in relation to how these values translate into the practice of management in voluntary organisations, the literature pertaining to key aspects of management practices was identified for closer scrutiny. These management practices were management style, human resource practices, motivation and performance, and finally strategic planning and change management. While little work has been done on these themes in relation to the non-profit sector, nevertheless some salient points emerged.

In relation to motivation theory, the model of participatory management that was posited as a means of motivating staff, is likely to have more relevance for staff in voluntary organisations as Tayloristic approaches to motivation appear to have limited applicability. The literature on measuring performance in the non-profit sector is peppered with concerns about the difficulty inherent in this exercise. While the lack of accountability has been attributed to the myth of goodness (Donnelly-Cox and Jaffro (1999) another explanation may lie in the difficulties of evaluating performance.

With regard to strategic planning, Whelan and Hunger (2002) argue that strategic planning is just as necessary in the non-profit sector as the for-profit sector and they offer some strategies that could assist either in the survival or growth of non-profit organisations. Change management theories identify different models of change. In Chapter 9 which one of these apply to voluntary organisations in this study will be considered. Finally, the literature on human resource management distinguished between 'soft' and 'hard' human resource practices with the different approaches reflecting a different perspective on the value of staff in an organisation. Given that values have been described as the defining characteristic of non-profit organisations, we would expect to find the 'soft' version of human resource management in voluntary organisations. In Chapter 7 which of these approaches have applicability for the organisations in this study will be examined.

These themes will form the basis for analysis for the chapters in Part Two of this thesis. Prior to exploring the findings, however, we will pause to consider the methodology and research design used for this research. This will be the next and final chapter in Part One of this thesis.

Chapter 4

Methodological and Research Issues

4.0 Introduction

This chapter will explore the aims of the research and the research methodology. The research dimensions will be considered in the light of design and methodological issues arising from a literature review. Having taken account of the constraints, the research aims and methodology will then be stated. The review of the methods available will highlight that, whether a quantitative approach or qualitative approach is chosen, each have strengths but also weaknesses and drawbacks. We will see that the long-raging debate on which method is most appropriate for the social sciences is now reaching agreement. The context and objectives of the research should determine the method chosen rather than being driven by viewing the world from a positivist, quantitative orientation or a subjective, qualitative orientation. This being acknowledged, the triangulation approach adopted for this research was chosen so as to overcome the limitations of adopting only a quantitative or a qualitative approach while hoping to capitalise on the advantages of both. A postal survey followed up by in-depth face-to-face interviews were the methods of choice for this study.

4.1 The background

As outlined in Chapter 1, the interest in this research arose from the author's experience of working as a director of human resources in a voluntary organisation and witnessing some of the value conflicts at senior management level. Despite the growing body of

research on the voluntary sector both internationally and in Ireland, little attention has been given to the nature and context of management in the voluntary sector.

As a member of the senior leadership team, the author was frequently involved in discussions and conflict over decisions relating to policy and future direction of the agency. The many challenges and disagreements that arose in the leadership group often could be traced to a clash of values, or a questioning of how to live out the values of the agency in a changing world. At times, such issues were at the very core of what the agency believed it represented. This interest in the role of values in management practices in the voluntary sector was to form the core theme for this research. The research objective that evolved was to discover whether managers in voluntary organisations hold an identifiable set of values and, furthermore to determine the relationship between these values and contemporary management practices. Having decided upon the research objective, the next stage involved choosing a methodology that was appropriate to the research task. To do this, an exploration of the assumptions behind the various research approaches was necessary.

4.2 Research dimensions

The disciplines of management and human resources management derive their theoretical base from the behavioural sciences. Leadership theory, management theory, group work theory, and organisational theory, counselling, industrial relations and adult education inform the theory and practice. Various writers (Boot *et al.* 1980, Buchanan and Huczynski 1985) have identified the difficulties of research in the discipline of human resources and management. Due to the fact that the behavioural sciences, psychology, sociology, anthropology all have different perspectives and theories, human resource management in particular lacks a common definition and the boundaries are unclear.

In the attempt to understand the social world, social scientists cannot measure cause and effect in quite the same way as physical scientists. Laboratory experiments cannot

replicate the natural world, nor can they always isolate the phenomena to be studied from its natural environment. They often have to deal with multiple variables, which interact, in ways that are not always understood and which cannot easily be observed, measured or quantified. In social research, the researcher him/herself can influence what or whom s/he is observing either simply from his/her presence or by the impact of his/her values, prejudices and worldview. Before embarking on the study, this researcher had to be aware of the possible impact and influence of previous experiences on the design of the research design and the subsequent analysis of the data.

4.3 Research Design

A research design is a plan and structure of the investigation to obtain answers to research questions. The plan includes an outline of what the researcher will do, from writing the hypotheses, and their operational implications, to the analysis of the data and possible conclusions to be drawn. Not only is the design to enable researchers to get answers to questions but the design should assist the empirical process in being as valid, objective, accurate and economical as possible. Kerlinger (1992) points out that research problems generally are stated in the form of hypotheses that can then be empirically tested. Furthermore, research designs are carefully worked out to yield dependable and valid answers to the research questions that enable the hypotheses to be tested.

Wakefield (1995) asserts that the ultimate goal of a research methodology is to construct an argument that addresses as many potential objections as possible. In determining the most appropriate design many factors have to be taken into consideration. Researchers generally must choose between a qualitative or quantitative approach. Their philosophical approach and the nature of the research questions determine the method they choose. In order to select the most appropriate methodology for this study, the strengths and weaknesses of both approaches were examined.

4.4 Philosophy and Science

The history of the qualitative-quantitative debate goes back to the beginnings of western philosophy. Thales, a Greek philosopher, developed a universal law ‘all is water’ that he believed explained the true essence of everything as water was the only substance known that could take all three forms of gas, liquid, solid and plants. Animals and humans die without water, so he theorised that life is made out of water. Pythagoras developed this essentialistic approach further by advocating that abstract numbers were the ultimate essence. By understanding the mathematical formulas underlying the existence of the essence, reality could be explained. Thus, the ‘all is number’ approach was the first attempt to use quantitative techniques to give meaning to the world.

Departing from this tradition, Socrates conducted in-depth interviews to study meanings and their contribution to a happy and virtuous life. According to Socrates, meaning cannot be deduced from people’s behaviour. It is the underlying purpose, rather than the means they choose to achieve that purpose that must be studied. He believed that all people were driven by a desire to do good. The ultimate truth could only be discovered through exhaustive and painstaking study of an individual’s meanings, beliefs and desires. Socrates was the first person, therefore, who attempted to use qualitative techniques to discover the unknown.

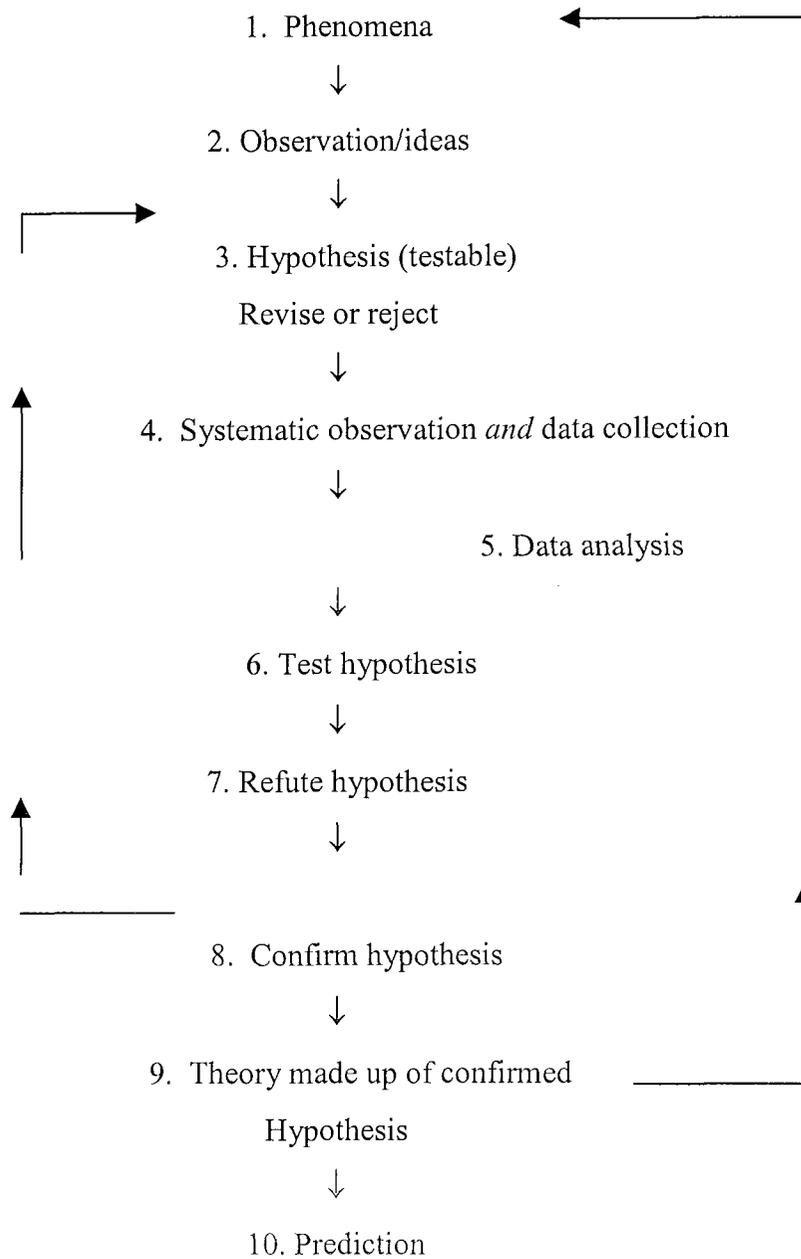
4.5 The Scientific Method

Throughout the sixteenth and seventeenth century many researchers took an interest in understanding nature. This led to the scientific revolution, with scientists like Descartes who explored the use of mathematics to understand nature, Bacon who used experimental models and data to develop theories and Newton, who used experiments to develop mathematics. Gradually experimentation was accepted as the way to understand the natural, physical and social worlds. Kerlinger (1992) defines scientific research as a ‘systematic, controlled, empirical, and critical investigation of natural phenomena guided

by theory and hypotheses about the presumed relations among such phenomena' (1992: 10). He indicates that the importance of the process being systematic and controlled is to enable predictions to be made. Experiment is the classic research tool of the natural sciences. In using it scientists make assumptions about the objects they are studying. They assume that the natural world has an independent existence of its own regardless of whom is studying it. They also assume that scientists, using the right techniques, can discover the laws that govern the world. The knowledge that is discovered using these methods is objective and factual and, therefore, can be used to predict what will happen in the natural world.

The objective of the scientific method is to gain knowledge of the natural world through a systematic, logical process of investigation. This approach allows for the development of hypotheses that can be tested and from which conclusions can be drawn. The process of inquiry is a circular rather than a linear one, moving from abstract thought and interest in a phenomena or object, to the development of hypotheses. Empirical observation then tests the hypothesis, the hypothesis may be restated, further empirical testing occurs until some generalisation or prediction can be made that increases our understanding of the laws of nature. It is this interactive process that differentiates scientific research from other methods of gaining knowledge, this process of empirical observation and rational thought.

McNeill and Townley (1986) refer to this process as the hypothetico-deductive method.



The objective of science is to increase our understanding through the development of theory. The process is continuous and ongoing and is based on certain assumptions. Graziano and Raulin (1997) identify the following assumptions. Firstly, an objective

reality exists; the universe is orderly and therefore predictable, although some randomness and unpredictability does exist. Secondly, the basis of this predictability can be discovered using scientific methods of investigation. Thirdly, current theory and understanding represents the accumulation of knowledge until the present, and finally, new theory may displace existing theory as our knowledge of the workings of the universe increases.

4.6 Positivism

This theoretical approach to understanding the world is known as positivism. Scientists who study the natural world assume that a body of knowledge exists independently and it is up to the scientist to discover it. In the eighteenth and nineteenth century this scientific approach to the study of the natural world was very influential. It is hardly surprising that it had a major influence on early sociologists like Durkheim and Comte who were trying to establish sociology as an academic discipline.

Like the physical scientists, they believed there were laws that governed the social world and that appropriate use of research instruments would uncover these laws. These laws could then be described in an objective and value-free manner. They believed that people were passive in their response to social events and thus predictions about the social world could be made. This approach, known as positivism remained influential up until the 1960s. Positivism led to the use of quantitative methods to analyse and describe the data as statistics were considered to be neutral and objective. Surveys were used to explain social phenomena as this technique allowed data to be gathered, hypothesis to be tested, and predictions made.

4.7 Ontology and epistemology

Weber was one of the first sociologists who departed from this scientific model. He did not believe that individuals passively respond to events around them. Weber argued instead that external events influenced people's thinking about the world and this in turn impacted on their behaviour. These two approaches to understanding the world account for the different ontological and epistemological assumptions in different research designs. A quantitative methodology reflects a view of a single objective reality that exists independently of the researcher whereas a qualitative methodology assumes multiple subjective realities co-existing (ontology). The Collins Concise Dictionary defines epistemology as 'the theory of knowledge, especially the critical study of its validity, methods, and scope'.

Ferris and Rowland (1990) describe the quantitative approach as realist (scientific) and the qualitative approach as idealist. The fundamental difference between realism and idealism is in the conception of reality. Scientific realism assumes that a reality exists independent of the observer, that there is an independent, objective truth that is invariant. The reality remains the same, regardless of who observes it. The study of an object or phenomena has no effect on the object or phenomena because it exists independent of the observer. The research, therefore, is unbiased, objective, and replicable. This represents the quantitative approach to research.

Idealism, on the other hand, does not separate reality from the observer. Reality is dependent on the observer's perceptions and cognitive processes. Reality is context bound. For idealists truth and reality do not have an independent existence. Truth is what people agree it is, it is relative and changing and there is no objective standard. Agreement on the truth is influenced by value systems, which determines what is accepted as fact. The goal of the social scientist using an idealist approach is understanding and the social world is considered too complex and dynamic to discover universal laws. Understanding can only be achieved, idealists believe, by reference to the context of the phenomena of interest. The meaning surrounding the context must be

elicited to enable understanding to occur. Thus, for idealists understanding is not achieved through statistical methods, rather through a process involving the subject within its context in an iterative fashion. This represents the qualitative approach to research.

What are the strengths and weaknesses of the two approaches, qualitative and quantitative? Wakefield (1995) sums it up by asserting that ‘quantitative methods, although superior for demonstrating validity and generaliseability, are not well suited for the reconstruction of meanings, which have been considered the essence of the mind since the cognitive revolution. However, qualitative methods, although effective for studying meanings, do not currently possess adequate validity and generalisability to yield reliable knowledge’ (1995: 9). Often the difference between the two approaches is over-simplified to ‘numbers versus no numbers’ (Creswell 1994: 5). This would seem to evade the substantive methodological issues that need to be addressed, some of which have been outlined above.

The question of which approach to research is best suited to the study of management and human resource issues has not been thoroughly addressed. The philosophy describing the nature of the epistemological process is a necessary step in determining how best to achieve the research goals. In this current study, the researcher’s assumptions about the nature of reality, objectivity and truth and the goals of the research underlie which method is chosen and how the study is conducted. Ferris and Rowland (1990) believe that the way science gets done and reported critically determines the knowledge base of the substantive area. They assert that we are all capable of exploiting the strengths of the scientific method, but seldom do it, that not only is the substance of science important but also the process. ‘Advances in human resources theory, research and application will depend on recognising the weaknesses and building on the strengths’ (1990: 32).

Although this study does not focus solely on human resources issues, the subject area is pertinent enough for the above comment to be relevant. It is the intention of this author to exploit the strengths of both quantitative and qualitative approaches, while recognising

their limitations, in designing the methodology for this study. The insights available through the use of each of these methods will now be considered in an attempt to tease out the most appropriate methodology for the current study.

4.8 Distinctions in the Qualitative and Quantitative Approach

Cassell and Symon (1994) summarise the differences between quantitative and qualitative methods, as used by British organisational psychologists. Quantitative researchers are likely to have a bias in favour of counting. They maintain an objectivity and distance from the data. They usually embark on the research process with a predetermined design, and they aim to make predictions that are generalisable while paying scant attention to the impact of the researcher on the data.

Qualitative researchers, on the other hand, are more likely to only count if necessary. They are more involved with the data and apply their subjective interpretations. They adopt a flexible approach to research design. The research is grounded in local context, making generalisations difficult and they acknowledge the impact of the researcher on the data. Kvale (1996) suggests that qualitative research is more suitable for determining differences in categorical states whereas quantitative research would be considered where degrees of difference or comparison are sought. If the research objective is to generate theory using inductive logic, the assumption is often made that a qualitative approach is best chosen. In contrast, theory testing, using a process of deduction is often taken to mean a quantitative approach. However, these divisions are not rigid, as Yin (1994) for example, has demonstrated that theory testing is possible using the case-study method. Wakefield (1995) believes that quantitative methods are superior for demonstrating validity and generalisability as they are designed to produce data that are representative of populations of interest. However, quantitative techniques are not effective for studying meanings and in-depth understanding.

Qualitative research, on the other hand, although effective at getting at the idiographic nature of meaning systems, may not possess adequate validity and generalisability. Validity is a problem in qualitative studies because of the potential effect of the researcher's biases on the subject matter and the interpretation of the data. The difficulty of making causal judgements based on research where there may be a multitude of variables that cannot be controlled is a further limiting factor on validity. Marshall and Rossman (1995) believe that qualitative research should be seen as a process of data reduction that simultaneously enhances the data's meaning. Miles and Huberman (1994) point out, however, that there is little in the way of standardised instruments and procedures in qualitative research.

4.9 Inductive and Deductive Research

Induction and deduction are rational processes that are used extensively by scientists. Inductive research is epitomised by Skinner (1972). It begins with empirical observations from which concepts are developed. The inductive theorist gathers the data and then reduces it into a coherent interpretation. This process is also referred to as the grounded theory approach (Glaser and Strauss 1967). Marshall and Rossman (1995) identify various stages in grounded theory research. The researcher organises the data, generates themes, categories and patterns from the data. The generated themes, categories and patterns are tested with additional data. Potential, alternative explanations are discounted and a research report is produced.

Deductive research involves the researcher using constructs to develop hypotheses, gathering data pertinent to the hypotheses and empirically testing the data. Deductive research is most often used to make predictions whereas inductive research is used more to explore poorly understood organisational phenomena or causal processes among events and actions.

4.9.1 Constructs

Not all aspects of the universe we wish to understand are accessible through our senses. A construct is the term used to refer to these non-observable concepts. Constructs are drawn from inferences that are made about the phenomena under observation. For example values are a construct. We cannot connect with values through any of the senses. It is a term used to describe how we understand the world and how we respond to different situations. Constructs have no objective reality; they exist only in the mind of the researcher. To accommodate research needs, the researcher treats them as if they exist in fact. Constructs are used, therefore, to demonstrate the relationship between observed facts. They are an integral part of the scientific process of empirical observation, consideration and refinement of constructs leading to prediction. The one caveat in the use of constructs in research is the tendency to forget that constructs are inferences only; they do not exist in reality.

4.10 Choosing a method

Having reviewed the various methods and the philosophical approach that each assumes, it is the opinion of this researcher that the nature of the research questions should determine the approach to be taken rather than the other way round. In other words, a researcher should examine all the approaches and tools available and then choose the one or ones that will best throw light on the topic under study. This may seem like a pragmatic approach and in many ways it is. The objective of research is to advance knowledge and understanding of social phenomena, not to adhere slavishly to a philosophical approach. An understanding of the philosophy that underpins research is necessary in order to bring a critical focus to the discipline but a methodological approach should be a tool rather than a driver of the research. Bearing this in mind, what is the most appropriate approach for this study?

4.10.1 Triangulation

The two research questions that will be addressed in this thesis are firstly, what values are important to managers in the Irish voluntary sector, and secondly, how do these values translate into the practice of management in voluntary organisations. Having examined the benefits and limitations of the available tools, it appeared that a combined research approach would be most appropriate. Data was needed from as many organisations and as wide a spectrum as possible to ensure the validity of the findings so this pointed towards a survey. A survey would facilitate the gathering of information from a wide range of organisations. It appeared to be a suitable method for gathering data in relation to the first research question regarding the values of managers. Furthermore, a survey could be a useful tool to collect data in relation to management practices. Having decided on a survey, the decision as to whether to utilise a postal survey or telephone survey arose. A postal survey was the obvious choice as this seemed to be the best way to collect data from as many organisations as possible.

Rather than relying solely on a survey for the data, however, it seemed appropriate to try and get behind the data to understand the processes at work. A postal questionnaire would not elicit any depth in the responses, and it was thought that a greater understanding of the processes at work in the relationship between values and management practices could only be achieved by talking to managers of voluntary organisations. The decision was taken to combine both quantitative and qualitative approaches in order to give richness to the data and to increase confidence in the findings. A questionnaire survey was decided upon, followed up by in-depth interviews with a selection of the respondents from the survey. Details on how these participants were selected follow later in this chapter.

This combination of data collection is known as triangulation. Denzin (1994) suggests that the use of a variety of data sources in a study ‘reflects an attempt to secure an in-depth understanding of the phenomenon in question’. He continues ‘because different “lenses” or perspectives result from the use of different methods often more than one

method may be used within a project so the researcher can gain a more holistic view of the setting' (1994: 214).

4.11 Further definitional and methodological issues

As the primary research objective was to discover if there is a set of values that can be attributed to the voluntary sector, it seemed that starting with a quantitative approach would yield the most information. Prior to designing a survey some definitional and methodological issues remained to be resolved, however. Settling on the structural/operational definition of Salamon and Anheier (1996) of non-profit organisations, as discussed in Chapter 1, and determining the terms to be used, still did not adequately address all the issues.

In Ireland, the non-profit sector includes schools, hospitals, and third level educational institutions. All these organisations fulfil the criteria of the structural/operational definition and are included in the data of Donoghue *et al.* (1999) in their analysis of the economic value and significance of the Irish non-profit sector. Hospitals and schools tend to be large, bureaucratic organisations however, and their funding base is generally more secure even if the amount of funding they receive is not necessarily fixed. Donoghue *et al.* (1999), also produced separate economic figures for the 'voluntary and community sector' which excluded schools, hospices, hospitals and primary, secondary and tertiary educational institutions from the data.

This author was primarily interested in investigating the values and management practices of voluntary social service agencies. By focussing on the voluntary and community sector as a sub-group of the non-profit sector, this avoided the necessity of including hospitals and educational establishments in the research. The target population was all voluntary and community organisations in the Republic of Ireland. At the time of writing, however, no single, comprehensive representative database of non-profit organisations, or of the voluntary and community sector, in Ireland existed. The National

Social Services Board publishes a database of voluntary organisations but it is not comprehensive or representative. The Revenue Commissioners have a list of all organisations that have been granted charitable tax exemption under the Tax Acts. As was outlined in Chapter 1, however, the list contains a very diverse range of organisations, including hospitals and schools and was not considered suitable as a sampling frame.

The sample used for this study, therefore, was a list, provided by the former Eastern Health Board, of all organisations funded under Section 65 of the Health Act 1953 and Section 10 of the Child Care Act 1991 in the Eastern Health Board region in 1999-2000. Using this list automatically excluded most hospitals, as they are funded under a different grant, and mainstream educational institutions because they are funded by the Department of Education and Science. There were four hospitals on the database because they were in receipt of Section 65 funding for a specific project but they were excluded from the survey for the reasons identified above.

One further point of clarification deserves mention. Educational institutions for people with special needs or disabilities and hospices were on the sample list as they receive state funding from Health Boards under Section 65 of the Health Act 1953 and thus they were included in the survey. Educational institutions for people with disabilities differ significantly in their focus from mainstream educational establishments. They often provide a wide spectrum of care and services in addition to the educational component. Similarly hospices, which differ from hospitals in their origins and size, are also included in this research.

This database had the advantage of providing a cross-section of organisations, from the larger, well-known ones to small, local agencies. It included urban, rural, local, and national organisations. There are also a wide variety of organisations represented in the sampling frame as they were funded under a range of programmes, such as Children and Families, Community Services, Disability Services and Health Promotion. A significant

amount of work was necessary to update this list and to locate some of the more obscure organisations.

The work of Fink and Kosecoff (1985) indicated that in non-probability sampling ‘the size of the sample should be large enough to yield useful data’(1985:128). In this study, the size of the Eastern Health Board list was considered large enough to be a suitable sample. The sample population of the voluntary sector was surveyed by means of a postal questionnaire. This is contained in Appendix 2.

There were three objectives in mind when developing the measures for this research. Firstly, to develop a balanced view of the perceptions of managers in the voluntary sector; secondly, to be sensitive to socially desirable response biases; and thirdly, for the study to be methodologically sound. To develop a balanced view, responses were asked for on a wide range of areas and then considered in greater depth in the interviews. To be sensitive to the issue of socially desirable response biases, measures were sought that would be perceived as non-threatening. Respondents were assured there were no right or wrong responses and that their responses would be confidential. Adopting a triangulation approach helped ensure methodological soundness.

4.12 Schwartz Value Survey

An instrument was needed to measure the values of managers in the voluntary sector. Having reviewed the literature on values, (Kluckhohn 1973, Enz 1986, Hofstede 1980, 1991 Triandis 1995, Meglino and Ravlin 1998) an instrument of Schwartz (1987, 1992), known as the Schwartz Value Survey (SVS) was chosen. This instrument was chosen to measure values as it is considered by other researchers to be the most robust and reliable in the field (Beckman *et al.* 1997, Stern *et al.* 1998). The value theory developed by Shalom H. Schwartz defines values as desirable transsituational goals, varying in importance, that serve as guiding principles in peoples lives. The theory has been empirically validated in samples from more than 60 nations all over the world using the Schwartz Value Survey (SVS).

Schwartz identified 56 values that exist in the world, cross-culturally and cross-nationally. These 56 individual level values were subjected to two-dimensional smallest space analysis. From this postulated association of single values, Schwartz developed the following ten motivational types of values: security, power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, conformity and tradition. These ten sub-dimensions have proved to be almost as robust as the 56 and have the added advantage of being easier to administer and work with (Schwartz and Sagiv 1995, Beckham *et al.* 1999).

4.13 The Survey

Prior to embarking on the formal data collection phase, the questionnaire was trialed in order to improve the instrument and to identify any unforeseen errors. Twenty copies of the designed questionnaire were distributed as a pilot to researchers and to managers who worked in the voluntary sector but who were not part of the sampling frame. Telephone contact was made with each of the participants to explain the purpose of the pilot, to ask for their co-operation, and to identify the nature of the feedback that was required. Comments and critical feedback were requested to assist in improving the design, lay-out and content of the questionnaire. Participants were asked to pay particular regard to the length of time it took to complete the questionnaire, the clearness of the instructions, any ambiguity in the questions, and overall how user-friendly the survey presented. The ensuing comments were integrated and the instrument subsequently refined.

Three hundred and fourteen questionnaires were then mailed out. Of these, 23 were not valid for reasons such as the organisations had ceased to be in existence or could not be traced. This gave a valid sample of 291 (314 minus 23). The objective was to achieve as high a response rate as possible to increase the validity of the findings. Babbie (1995) indicates that an adequate return rate on postal questionnaires is in the order of order of 50 per cent, while Bailey (1982) acknowledges that many studies only achieve 10-20 per

cent response rates. To achieve as high a response rate as possible, the following five strategies were adopted.

Firstly, the organisational details on the database were checked out by telephone. Despite being a list of recently funded voluntary organisations, much of the information on the database was inaccurate or out of date. For each funded organisation, the name and title of the most senior executive person in the organisation was obtained. Titles varied from Manager, Director, Chief Executive Officer, to Co-ordinator. As the views of management were required, the most senior person in the organisation seemed the most appropriate person to ask to complete the questionnaire. In obtaining this information, where possible, the researcher spoke to the person in charge directly as this provided the opportunity to introduce the purposes of the research and ask for co-operation. While time consuming, this approach had the benefit of overcoming, to a degree, the anonymity of receiving a questionnaire in the post addressed to the 'person in charge'.

The second strategy involved the coding of each questionnaire and sending an accompanying letter with each one explaining the purpose of the research and guaranteeing the anonymity of the respondents. This questionnaire can be seen in Appendix 3. A return-by-date for the questionnaire was included in the letter. As each questionnaire was returned, it was checked to ensure it had been fully completed and a record kept of which organisation it was received from. If the questionnaire had gaps in the responses, respondents were telephoned and asked to supply the information by phone.

After the first return-by-date had expired, the third strategy involved identifying the organisations that had not returned a questionnaire. Those organisations were mailed a second questionnaire with a reminder letter and a stamped, addressed envelope. Again, all returns were checked for completeness of responses and telephone calls were made to those respondents who had left gaps. The fourth strategy involved a third and final mail-out with a letter strongly urging the recipients to return the survey. The fifth and final stage involved a telephone call to the remaining people that still had not returned the

questionnaire and asking them to do so. This unwilling population was also asked why they had not returned the survey lest there was any significance in their reasons for non-response. Pressure of work or simply forgetting were the most common reasons given. It did not appear that they were a hostile population and no significance in relation to the research objective was attached to the non-returning population.

In all 204 completed questionnaires were returned which represents a response rate of 70 per cent (204/291). The strategies paid off as the adequate return rate of 50 per cent had been significantly improved upon. Babbie (1995) makes the following comment in relation to response rates:

‘I feel that a response rate of at least 50 per cent is adequate for reporting and analysis. A response rate of at least 60 per cent is good. And a response rate of 70 per cent or more is very good’ (1995: 165).

The responses from the questionnaires were then inputted into SPSS (Statistical Package for Social Scientists: Version 10). Frequencies and cross-tabulation of the data were the main methods of analysis used.

4.13.1 Organisational profile

A profile of the organisations that participated in the survey emerged from the data:

Table 3: Number of full-time staff

	Frequency (N)	Per cent
0	23	11.2
1-5	76	36.9
6-10	31	15.0
11-20	33	16.0
21-50	23	11.2
51-1000	20	9.7
Total	206	100.0

In relation to the numbers of full-time employees, between one and five staff was the most numerous category (37%, n = 76). Ninety per cent of the respondents said that they employed less than 50 full time staff, refer to Table 3 above. These figures have to be treated with caution, however, as this does not take into account part-time staff, FAS workers or volunteers, all of whom contribute significantly to the voluntary sector labour market. Details are contained in Tables 4 and 5 below.

Table 4: Number of part-time staff

	Frequency (N)	Per cent
0	52	25.2
1-5	93	45.1
6-10	37	18.0
11-20	7	3.4
21-50	6	2.9
51-1000	11	5.4
Total	206	100.0

There was a similar distribution in the numbers of part-time staff and full time staff. Over one quarter of all organisations in the survey did not have any part-time staff. Some of these organisations, however, may rely entirely on volunteer labour. The one to five staff category was the most numerous.

Table 5: Numbers of volunteers

	Frequency (N)	Per cent
0	73	35.4
1-5	40	19.4
6-50	62	30.2
51-200	12	5.8
201-500	12	5.8
501+	7	3.4
Total	206	100.0

Over one third of organisations surveyed did not have any volunteers. The one to five category was the most numerous category, representing nearly one fifth of the respondents. At the upper end of the table, it is worthy of note that 12 respondents indicated that their organisations had between 201 and 500 volunteers. That represents quite a significant resource. Seven organisations had over 500 volunteers, an even greater resource. The majority of managers reported that there were no FAS staff in their organisations. Once again, the most numerous category reported was one to five FAS staff. While these numbers may seem small, the addition of two or three FAS staff or volunteers may be very significant to a voluntary organisation that may rely on them to keep a service going.

Table 6 below shows how long the organisations in the survey have existed. Half of all the organisations had been formed between the 1970s and 1990s, making them between 10 and 30 years old. Eleven per cent of the organisations (N = 23) were more than 50 years old. Thus, these organisations had existed before government funding was introduced under the 1953 Health Act. The number of new organisations is interesting. Seventeen per cent (N = 34) had come into existence in the five years preceding the collection of this data.

Table 6: How long the organisation has existed

	Frequency (N)	Per cent
1-5 years	34	16.5
6-10	22	10.7
11-20	50	24.3
21-30	53	25.7
31-50	24	11.7
51+	23	11.2
Total	206	100.0

From the figures in Table 7 below we can see whether the organisations in the survey were local, regional or national. Nearly half of the organisations were national, and over one third were local. There were seven international organisations. These are likely to be overseas aid agencies. The majority of voluntary organisations, therefore, have a focus on the domestic scene, with nearly half of them at national level.

Table 7: Is the organisation local, regional or national or international?

	Frequency (N)	Per cent
National	99	48.1
Local	73	35.4
Regional	27	13.1
International	7	3.4
Total	206	100.0

As can be seen in Table 8 below, the majority of voluntary organisations are dependent on statutory funding. A minority (15%) rely primarily on their efforts to generate revenue. This may come as a surprise to some who may assume that voluntary organisations are funded by philanthropy and the generosity of individuals.

Table 8: Main source of funding

	Frequency (N)	Per cent
Statutory	142	68.9
Fundraising	31	15.0
Fees	23	11.2
Donations	10	4.9
Total	206	100.0

A profile of the organisations in the survey is now emerging. Typically, they are small, employing between one and five staff. The majority of them employ less than five part-time staff and volunteers. Most of the organisations have been in existence between 11 and 30 years. Almost half of the organisations have a national focus, and the majority are statutory funded.

4.14 The Qualitative Phase

When analysis of the quantitative data was completed, the second stage of the data collection began. This was the qualitative phase. This involved conducting twenty in-depth interviews with survey respondents. The interviews were designed to gain greater insight and richer data that would amplify the quantitative data.

4.14.1 The Interview Schedule

Four key themes emerged from the analysis of the quantitative data, which themselves emerged from the literature review discussed in Chapter 3. These themes were management style, human resource strategies, performance, and strategic planning. These themes provided the structure and content for the interview schedule and twenty-seven questions were grouped around these themes. A copy of the interview schedule is contained in Appendix 4.

The questions were designed to explore possible links and relationships between the various concepts that had not been possible in the survey. For example, the survey had revealed the values that managers said were important to them. The survey data also allowed some observations to be made regarding management style. The objective of the questions in the first section of the interview schedule, Values and Management Practices, was to explore the relationship between values and management style. The questions in the section dealing with human resource management strategies were

designed to explore the degree of fit between values and practices and to uncover any tensions that may exist. The section on performance looked at managers' perception of what motivated their staff, and the final section on strategic planning examined how voluntary organisations responded to challenges and changes. The themes in the interview schedule represented areas that needed to be explored in greater depth in order to shed light onto, and to bring richness, to the quantitative data.

4.14.2 The selection process

Twenty people were chosen to participate in the in-depth interviews. The last question on the survey asked respondents to indicate if they were willing to participate in a follow up interview. All those were discarded who indicated in the questionnaire that they did not wish to be interviewed (N =53 or 21%).

The decision on whom to select was guided by the findings emerging from the quantitative data. Cross tab analysis revealed that women managers differed from male managers on a number of variables. There was double the number of female managers to male managers in the 31-40 age group, indicating an increase in women achieving management positions at a younger age. There was double the number of female managers to male managers working in local organisations, however.

Generally, local voluntary organisations are less visible, have less status, and pay lower salaries than the larger national organisations. In relation to the organisations they worked for, women assigned higher rankings than men to a range of variables such as participative, democratic, organised, motivated, frequency of staff consultation and rate of organisational change. This difference in perception between men and women seemed worthy of further investigation. One wondered why the women reported that they felt more positive about the organisations they worked for? This led to the question about whether there something different about the organisations or was there a 'type' of manager that 'fits' into voluntary sector organisations.

To select candidates for interview the respondents were divided into four categories:

The first category was male respondents who rated their organisations highly in relation to it being participative, democratic, organised, and motivated, and who felt the rate of organisational change was about right. The second category comprised male respondents who ranked their organisation low on the same variables as above, and who felt the rate of organisational change was too slow. The third category was composed of female respondents who ranked their organisations high with regard to the variables and who felt the rate of organisational change was about right. The final category was female respondents who assigned negative characteristics in relation to the variables and who indicated the rate of organisational change was too slow. In other words, four categories were chosen and they were divided by gender and by positive and negative responses.

All the respondents that fell in the middle range were discarded. These amounted to six per cent (N =34) of the total questionnaires that were returned. In category one (positive males) there were 46 respondents. In category two (negative males) there were seven respondents, in category three (positive females) there were 57 respondents and in category four (negative females) there were six respondents. Five respondents were selected from each of the four categories.

In determining which participants to select for interview from each of these categories typical patterns, rather than outliers, were looked for. From the data the following characteristics emerged. Female managers were more likely to work in organisations that have existed for 10-30 years, that is, those established between 1970 and 1990. They were likely to be aged between 31-40 or in the 51 plus age group. They were most likely to be working in a local organisation. There was double the number of female managers to male managers. In organisations established since 1990, in the sample of respondents however, there was double the amount of female managers to male managers in the 31-40 age group.

The inference is that the profile of managers in the voluntary sector is changing from older males working in long established organisations to younger females achieving management positions in organisations established in the last 10 years.

The quantitative data revealed that more female managers than males described their organisations as participative, democratic, organised, motivated. They were more likely to consult with staff and more likely to report that the rate of organisational is about right. Male managers are more likely to work in organisations that are between 10 and 30 years old, the organisations are more likely to be national, rather than regional or local, they are more likely to be in the 41-50 age group and more likely than female managers to describe the rate of organisational change as too slow.

When the distribution in category three was examined, (positive females) there were more female managers working at a national level (N =24) than at local (N =22) or regional level (N =7). Of those working at national level, ten people had the title of Chief Executive Officer or Director, making this the most numerous category. The age ranges were evenly spread. Eight were in the 30-40 age group, seven in the 41-50 age group and eight in the 51 plus age group. The majority employed staff across all the categories, full-time, part-time, volunteers and FAS. The most typical age of the organisation was 11-20 years (N =9). The next most numerous were 21-30 years (N =7). The majority (17) of organisations were primarily statutory funded.

The five people chosen from each of the four categories, as far as possible, had a typical profile. Although the rationale for selecting the respondents for a follow-up interview arose from the quantitative work, it is interesting to note that it did not translate into the qualitative phase, as these categories did not yield any distinctive data. For ease of analysis, the organisations selected for interview were coded VO 1 consecutively to VO 20. These details are contained in Appendix 4.

4.15 The in-depth interviews:

Two initial interviews were conducted in order to pilot the interview schedule. The purpose of the pilot interviews was to identify weaknesses in the schedule such as poorly constructed questions, inappropriate sequencing of questions, or questions that could be

construed in a number of different ways. Of interest also was the length of the interviews and the overall 'user-friendliness' of the schedule. One person from the sample was selected for a pilot interview. The other interviewee was the Director of a non-profit centre but she was not part of the sample. As a result of the pilot only minor changes had to be made to the sequencing of questions to improve the flow of the interview.

Prior to the interview, telephone contact was made with each interviewee, or a secretary to arrange a convenient time and to explain the purpose of the interview. Two participants requested a copy of the interview schedule in advance to enable them to more fully prepare. Each interview took place in the interviewee's place of work, with the exception of one that took place in the Gresham Hotel. Permission was sought from all and granted, to tape the interview. Prior to an interview, one person expressed reservations about being recorded but gave permission when both the confidentiality of the interview and anonymity of the organisation was guaranteed. At the end of an interview, one person admitted that the tape recorder had inhibited her ability to talk freely and openly. None of the other 19 participants, however, appeared to be affected by the recording of the interview. Each interview lasted on average, one and half to two hours, resulting in thirty to forty hours of data. All tapes were transcribed *verbatim* as soon as possible after the interview. On average, each taped interview took about eight hours to transcribe, which added up to approximately one hundred and sixty hours of transcription. This meant that there was a lot of material for analysis and data with which to compare and contrast the quantitative findings.

4.15.1 Analysis of the qualitative data

The qualitative data was analysed by the author manually as it was felt that the use of a computer programme to assist in this process would distance the writer from the analysis. One question at a time from all the respondents was explored to discover consistencies and inconsistencies in the responses. Patterns and trends were looked for and comparisons were made with the quantitative findings to determine whether the qualitative data supported the quantitative findings or threw new light on them. As the analysis proceeded the author was able to reflect on the responses within the different

sections of the interview and note any similarities, tensions or inconsistencies coming from all of the data. Slowly findings began to emerge and it was possible to draw conclusions based on both sets of data.

4.16 The Data collection process

The various phases in the data collection process is presented in Table 9 below.

Table 9: The data collection process

Phase One: Quantitative; Postal Survey	
1	Design survey
2	20 pilot surveys distributed
3	314 surveys mailed out
4	Respondents telephoned if there gaps in responses
5	Second mail out of survey
6	Respondents telephoned if there were gaps in responses
7	Third mail out of survey
8	Respondents telephoned if there were gaps in responses
9	Telephone call to non respondents asking them to complete survey
10	Inputted into SPSS(10)
Phase Two: Qualitative; In-depth interviews	
1	Design interview schedule
2	Pilot two interviews
3	Twenty in-depth interviews conducted lasting 1&1/2 to 2 hours each
4	Data transcribed verbatim: eight hours per tape

4.17 Conclusion

This chapter reviewed the various methodological approaches to doing research and concluded that the researcher's own philosophical approach as well as the needs of the research influences the choice of methodology. In determining whether to use a quantitative or qualitative approach, the relative merits of each were explored and the conclusion was reached that each method has its strengths and weaknesses. In an attempt to exploit the strengths of both and minimise their weaknesses, a methodology was chosen, referred to as triangulation, which combines both the quantitative and qualitative methods. A postal survey was conducted, followed by a series of in-depth interviews were carried out. A software package called *Statistical Package for Social Scientists* (SPSS) was the tool used to analyse the data from the survey. The interviews with respondents were taped and transcribed *verbatim* for analysis

The next part of this thesis (Part Two) is devoted to presenting and analysing the findings from both the qualitative and quantitative data. The objective of this study is to determine what values are important to managers in the voluntary sector and to explore how these values are enacted in the practice of management. The next chapter, Chapter 5, will present the data regarding the values of managers and the subsequent three chapters will explore how these stated values translate into the practice of management in Irish voluntary organisations.

Part Two

Chapter 5

The Values of Managers in the Voluntary Sector

5.0 Introduction

The next four chapters will present the research findings in relation to the two research questions. This current chapter will address the first research question, which is to identify the values that are of most importance to managers in the Irish voluntary organisations. To provide a context for the ensuing discussion, this chapter will start by presenting some data regarding the characteristics of the respondents to the survey. Then the findings in relation to what managers state their values to be will be analysed. The literature tells us that organisational values emanate from the leader. Thus, this chapter will briefly explore managers' views on organisational values and will conclude with a discussion on what managers say the values of the organisation are. Conclusions will be drawn about whether or not there is a fit between their stated values and what managers see as the organisation's values. The subsequent three chapters will then address the second research question, which is to explore how these values translate into the practice of management in Irish voluntary organisations.

5.1 Characteristics of the respondents

Before considering the values of voluntary sector managers, we will pause briefly to consider some of the characteristics of the managers that emerged from the quantitative

data. With regard to the gender of the respondents, the majority was female (56%), (see Table 10).

Table 10: Gender of respondents

	Frequency (N)	Per cent
Male	91	44.2
Female	115	55.8
Total	206	100.0

In relation to the age of the respondents, the highest percentage was over fifty-one years of age. Table 11 below shows the age distribution.

Table 11: Age of respondents

	Frequency (N)	Per cent
20-30	19	9.2
31-40	57	27.7
41-50	62	30.1
51+	68	33.0
Total	206	100.0

It is interesting to consider the titles of the senior people in voluntary organisations. The survey revealed that the most widely held job title was manager. Forty two (n=86) per cent of respondents described their job title as manager. The second most common title was executive director (22%, N = 46). Table 12 below gives the other categories.

Table 12: Job title

	Frequency (N)	Per cent
Manager	86	41.7
Executive director	46	22.3
Co-ordinator	27	13.1
Administrator	21	10.2
Chairperson	10	4.9
Director of services	7	3.4
Supervisor	6	2.9
Principal	3	1.5
Total	206	100.00

The respondents that were interviewed for the fieldwork who carried the title of director, executive director or chief executive officer were all employed in large organisations. Interestingly, in interview one of the respondents said that her job was originally advertised in the national press as an executive director position. She was subsequently told that, due to a lack of applications, the same job was re-advertised as a manager's position. Many more people applied for it. This could mean that potential applicants either did not relate to a job in a voluntary organisation with a title such as executive director, or they themselves did not consider that they had the skills to hold a job with such a title.

Table 13: What is your job title * is the organisation local, regional or national?

Job Title	Local (N)	Regional (N)	National (N)	International (N)	Total
Executive Director	9	5	32	0	46
Manager	35	16	32	3	86
Director of Services	2	0	4	0	7
Administrator	10	1	10	0	21
Co-ordinator	15	1	10	1	27

When job title and age of the respondents were considered together (see Table 14), we see that the majority of executive directors were at least 41 years of age. Managers, however, were fairly evenly dispersed amongst the age categories.

Table 14: Job title and age of respondents

What is your job title?	Age of respondents				Total
	20-30	31-40	41-50	51+	
Executive director	0	11	17	18	46
Manager	15	26	22	23	86
Co-ordinator	3	9	8	7	27

Table 15 below contains some interesting findings. As noted above, there were more female managers than males amongst the survey participants. Of the 46 executive directors, less than half were women (41%), while out of a total of 86 managers, more than half were women (60%). There was twice the number of female co-ordinators and administrators as males. A further observation is that the largest number in any one age group was managers aged between 31 and 40 years.

Table 15: Job title and gender

Job title	Male (N)	Female (N)	Total (N)
Executive director	27	19	46
Manager	34	52	86
Supervisor	2	4	6
Principal	2	1	3
Co-ordinator	9	18	27
Chairperson	7	3	10
Director of services	3	4	7
Administrator	7	14	21
Total	91	115	206

As the data shows in Table 16 below, the majority of organisations in the survey were between 11 and 30 years old. Of interest here also is the finding that young organisations (less than ten years old) had young managers (aged between 20 and 40 years). The organisations that were over ten years old had an even spread of respondents across the age groups.

Table 16: Age of organisation and age of respondents

Age of organisation	Age of respondents			Total
	20-40 years	41-50 years	51+ years	
1-10 years	26	14	16	56
11-30 years	36	32	35	103
31-50 years	6	8	10	24
51+	8	8	7	23
Total	76	62	68	206

Table 17 below shows the age spread of the respondents by gender. The majority of males were at least 41 years of age, whereas females were almost equally numerous in the 31-40 year old age group, and in the 51 plus age group. The inference is that women seemed to be achieving managers' positions at an earlier age than men but that more older men than women achieved executive director positions.

Table 17: Age of respondents and gender

	Age of respondents				
	20-30	31-40	41-50	51+	Total
Male	7	18	36	30	91
Female	12	39	26	38	115
Total	19	57	62	68	206

A profile of those involved in the sample is now beginning to emerge. Respondents were most likely to hold the title of manager, to be at least 51 years of age, and slightly more likely to be female than male, and most likely to be working in an organisation that was between 11 and 30 years old. Executive directors were more likely to be male and managers were more likely to be female.

The data shows us that there is quite a variation in the ages of the respondents and the job titles in use. There is also variation in how long the organisation had existed and whether the organisation is local, regional or national. We will now proceed to consider the espoused values of the respondents.

5.2 Managers' values

Having reviewed the extensive literature written on values, (Kluckhohn 1951, Rokeach 1973, Triandis 1990) an instrument of Schwartz's (1992), the Schwartz Value Survey (SVS) was chosen to measure values as it was already noted that it is considered by other researchers to be the most robust and reliable in the field (Beckman *et al.* 1997, Stern *et*

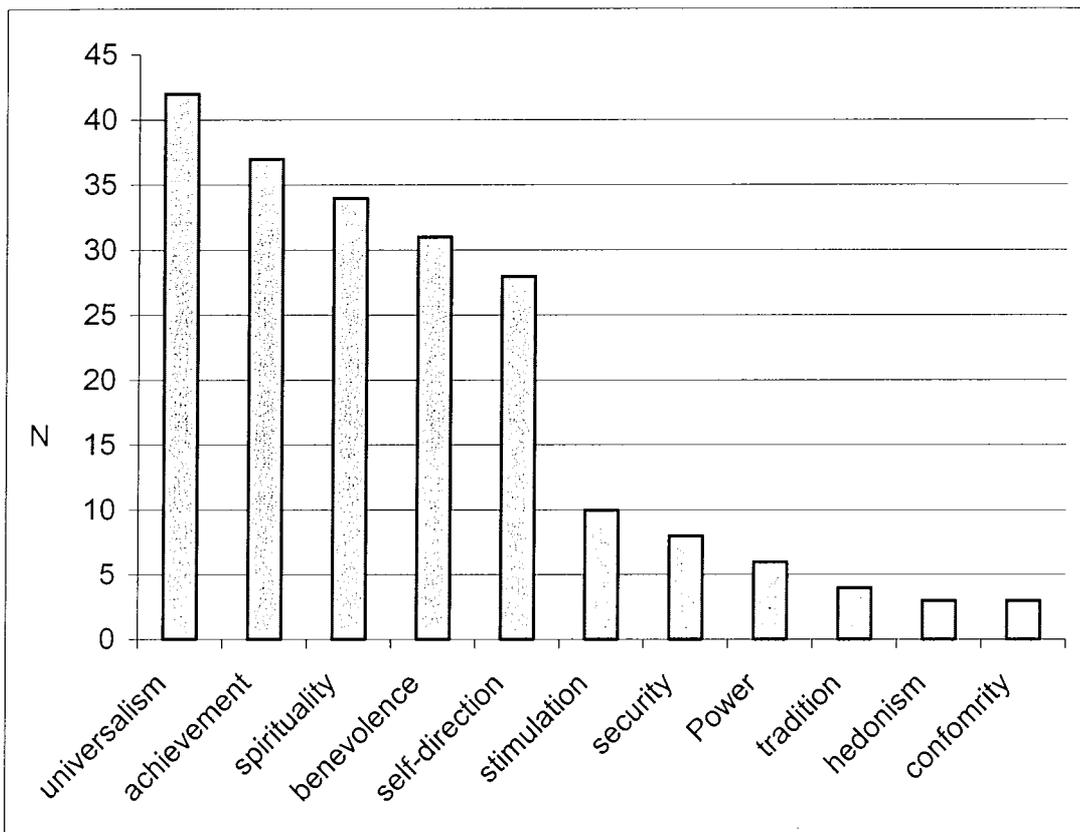
al. 1998). Using this instrument in a postal survey, the values that managers considered were important to them were identified.

The Schwartz Value Survey includes the 10 values of security, power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, conformity and tradition. In the research presented here, each of the items was measured on a nine-point Likert scale that ranged from 'opposed to my values' (minus one) through 'important' (three) to 'of supreme importance' (seven). For the purposes of this research, an extra sub-dimension of spirituality was added. Schwartz had found that spirituality was not as robust cross-nationally as the other ten sub-dimensions nevertheless, in the context of the Irish voluntary sector, and its traditional association with the Catholic Church, (Donnelly-Cox and Jaffro 1999, O'Ferrall 2000) it was considered important to include spirituality in the current research.

In the questionnaire, the 11 values referred to above were listed, including a definition of each value to minimise the possibility of differing interpretations. Respondents were firstly asked to indicate which one of the 11 values was 'the most important to them as an individual'. Secondly, each respondent was asked to rank each of the 11 values 'as a guiding principle in his or her life'. Thirdly, respondents were asked to identify from the 11 values, the value that was 'least important to them as an individual'. Among the 11 values from which managers could choose, a clear 'set' of values emerged. In ranked order of importance, these were universalism, achievement, spirituality, benevolence and self-direction. These values are depicted in a graph in Figure 2 below.

Figure 2

The value that is most important to you as an individual



The rankings of the top five values, universalism, achievement, spirituality, benevolence and self-direction are contained in Table 18 below. What is most striking about the graph above is the bifurcation of the data. The values of universalism, achievement, spirituality, benevolence and self-direction all score relatively highly, whereas there is then a clear discontinuity in the data from the value of stimulation onwards. The remaining six values of stimulation, security, power, tradition, hedonism and conformity have relatively low scores.

Table 18: Ranking of managers five most important values

	Frequency (N)	Per cent
Universalism	42	20.4
Achievement	37	18.0
Spirituality	34	16.5
Benevolence	31	15.0
Self-Direction	28	13.6

When the percentages are added together, it shows that 84% (N =172) of managers ranked one of the five values above as their most important value. These five values will now be explored in greater detail, and some understanding of why these values are important to the respondents will emerge.

5.2.1 Universalism

In interview respondents were asked about the connection between their three most important values and their management style. They were also asked to what extent the values of their organisation reflected their own values.

Universalism, which Schwartz (1992) defined as an understanding, appreciation, tolerance, and protection for the welfare of all people and of nature, emerged as the most important value to managers in this survey. Respondents selected universalism as their most important value more often than any other. From the list of 11 values, 20 per cent of managers (N =42) in the survey selected universalism as their most important value. Universalism includes the values of social justice, world peace, protection of the environment, unity with nature, world of beauty, wisdom, broadmindedness, equality, and inner harmony.

When further asked to rank universalism as ‘a guiding principle in your life’, 58 per cent (N=119) of managers indicated that it was very important. A further 34 per cent (N=49)

of managers identified it as important to them. If these two scores are combined, nine out of 10 managers in this survey (91%) rated universalism as very important or important (refer to Table 19 below).

Table 19: Universalism as ‘a guiding principle in your life’

	Frequency (N)	Per cent
Very important	119	57.8
Important	69	33.5
Unimportant	18	8.7
Total	206	100.0

As already noted, according to Schwartz, universalism includes the value of social justice. During the interviews, a number of managers indicated that social justice considerations led them to seek employment in the voluntary sector. For example, as one manager of a national voluntary organisation said:

‘My family would have been very much of the ethos of voluntary contribution and commitment... Working with people who are contributing to society by working with the poor and disadvantaged, that would be a fundamental thing with me’ (VO 16).

Another manager explicitly interpreted the value of universalism from the social justice perspective:

‘Where I am coming from, I believe everyone is equal so the people we provide services to are exactly the same as us. I’m as comfortable with the people who use our services, maybe more comfortable, as I am working with the [Health] Board or colleagues’ (VO 2).

The following manager considered that the value of universalism influenced his management style:

‘I think universalism is the style of management that is facilitative. It’s trying to get the best out of people. It’s really what... is about, opening doors for people, facilitating them to start a new direction in life or to find out things about the world they live in so that maybe they could also

contribute to it, to make it a better place to live in. I chose that [universalism] as the high-ranking value' (VO 15).

Only one of the managers who responded to the questionnaire survey was totally opposed to universalism being 'a guiding principle', although six other managers ranked it as not very important.

5.2.2 Achievement

From the 11 possible values, achievement was second next most often after universalism (18 per cent or N=37) by managers in the survey as the value that was most important to them as an individual.

Achievement, according to Schwartz, included the values of self-respect, intelligence, success, capability, ambition, and influence. When asked to rate achievement as 'a guiding principle in their lives', 45 per cent (N=91) of respondents ranked achievement as very important. A further 39 per cent of respondents (N=81) ranked it as important, (see Table 20 below).

Table 20: Achievement as 'a guiding principle in your life'

	Frequency (N)	Per cent
Very important	93	45.2
Important	81	39.3
Unimportant	32	15.5
Total	206	100.0

In the follow-up interviews, remarks such as, 'I love to see things happen' (VO 1) and 'I am a starter, I am an initiator, I like that, I like the challenge' (VO 11) indicated a strong achievement drive. Managers said that they had visions for their organisations that they wanted to see realised. They also indicated a desire to contribute something worthwhile to society. Managers were driven by the prospect of their service growing and developing, and of improving the services that were being delivered. This desire to

realise their vision, however, was stated within the context of their overall value system and their humanitarian approach to life. Managers said that they believed in the value of what they were doing. ‘I have a dream of making people’s lives better’ (VO 2) was one comment. ‘Seeing a child smile’ (VO12) was the inspiration for a manager of a child-care agency. This brings to mind the view of Drucker (1990) that ‘the non-profit organisation exists to bring about a change in individuals or society’ (1990:1).

In interview, when asked how the value of achievement was reflected in her work, one recently appointed young manager of a small, newly established organisation commented:

‘Achievement? That’s me okay...that’s what fulfils and motivates me. The feeling of, that’s good, I have achieved something there’ (VO 9).

Another typical comment in relation to the value of achievement came from an older, more experienced manager of a small national organisation who said:

‘Success and achievement are very important to me. I wouldn’t get out of bed in the morning if I didn’t feel there was work to be done here... Success is a personal thing as well as for the organisation’ (VO 5).

Managers not only rated achievement highly as an important value to them, but they also indicated that achievement was a prime motivator for them. When asked in the survey about what motivates them, 91 per cent (N=187) of managers indicated that a sense of achievement motivated them, as can be seen in Table 21.

Table 21: Managers motivated by a sense of achievement

	Frequency	Per cent
Supremely important	146	70.9
Highly important	41	19.9

There were only two managers (1%) in the survey who said that they were opposed to the value of achievement as a guiding principle in their lives. Two further respondents also indicated that achievement was not important as a motivating factor for them. Overall, however, the qualitative and quantitative data suggest that achievement was an important value for managers and they said it was a motivating factor in their work.

5.2.3 Spirituality

Respondents ranked spirituality as their most important value third most often, after universalism and achievement. Seventeen per cent (N=34) of managers in the survey ranked spirituality as their most important value. The importance of spirituality, although not necessarily in the religious sense, came through in the interviews.

‘I’m not talking about religion, but values of justice’ (VO 17).

Two people likened working in the voluntary sector to a vocation. For some there was an element of spirituality in their choice, of making sense of the world:

‘The reason I do it is for the social justice reason that comes from spirituality... and believing we all have the capacity to make this a better world for us all. I think this is the one underpinning thing and if I didn’t have that value I wouldn’t be doing this work’ (VO 7).

One of the more experienced managers of a large voluntary organisation said that his staff knew he was ‘a spiritual person’ (VO 10) and he suggested that this spiritual orientation, combined with a respect for the clients of his organisation, made him a very tolerant individual.

When asked to rank spirituality as ‘a guiding principle in their lives’ on a scale from minus one (opposed to my values) to seven (of supreme importance), 41 per cent (N=49) of managers in the survey indicated the latter, that it was very important in their lives. Over three-quarters of the managers surveyed (82%) ranked spirituality as an important ‘guiding principle in their lives’ (see Table 22 below).

Table 22: Spirituality as a guiding principle in your life

	Frequency	Per cent
Very important	85	41.3
Important	84	40.8
Unimportant	37	17.9
Total	206	100.0

The following comment came from a manager who had worked in a large voluntary organisation most of his adult life, and reflected a common view articulated during the interviews:

‘Spirituality? I think as I get older, I think that’s what I have been striving after for a long time’ (VO 2).

Remarks such as these suggest that, for some managers, working in the voluntary sector was a way of giving meaning to their lives, and a means of living out their values.

5.2.4 Benevolence

Benevolence was cited fourth most often as managers most important value. Fifteen per cent of managers (N=31) ranked benevolence as their most important value.

Benevolence, according to Schwartz, includes a spiritual life, forgiveness, honesty, loyalty, helpfulness, responsibility, true friendship, meaning in life, and true love.

Furthermore, when respondents were asked to rate benevolence as ‘a guiding principle in their lives’, 54 per cent (N=111) of respondents rated benevolence as being of most importance to them. Table 22 below sets out the frequencies for the value of benevolence.

Table 22: Benevolence as a guiding principle in your life

	Frequency (N)	Per cent
Most important	111	53.9
Important	80	38.8
Not very important	15	7.3
Total	206	100.0

One manager of a large, long established organisation interpreted benevolence to mean treating all people as equals: ‘benevolence means treating people with respect’ (VO 13). Several other managers related the value of benevolence to the work their organisation was doing and the quest for social change, as in the following quote:

‘Benevolence is... at the end of the day, are we making a difference to the people we serve’ (VO 8).

The above manager worked in a large, long established national organisation. He highlighted the need to keep connected with the value of benevolence as he progressed up the organisational ladder. He said that the value of benevolence in an organisation should be visible in identifiable, measurable terms. He believed that services should be beneficial to the people they serve and that they should offer value for money. Another manager who worked in a small, community-based project had a very straightforward understanding of benevolence:

‘Benevolence is being in touch with parents and to know if they are happy and if they have any problems so I can tell them where to go to get help’ (VO 14).

A further manager of a large, Dublin-based organisation viewed benevolence as an attitude to staff and an approach to running an organisation. He cited an example of a large state-owned organisation in which he was a director of the Board. He said that he was going to leave the Board because:

‘I don’t like the ruthlessness of aspects of that type of management and I don’t like the lack of humanity... That would turn me off and no matter how much they are paying me I wouldn’t want to stay’ (VO 10).

Another manager associated benevolence with the value of universalism and a sense of social justice.

‘I have always worked with the underprivileged, the underclass. I would be a great believer that you are as important as the next person is. And just because I live in the flats or wherever, or a caravan at the side of the road, or because I come from a foreign country, I am not diminished in any way’ (VO 12).

The value of benevolence has long been associated with voluntary organisations, dating back to the nineteenth century when charity was dispensed to the deserving poor (Donoghue 1998). The influence of the Catholic Church in the provision of basic social services resulted in benevolence being considered a duty by church going individuals. As previously noted, the voluntary sector has also been associated with ‘goodness’ or a ‘myth of goodness’ (Donnelly-Cox and Jaffro 1999). Benevolence and ‘doing good’ could be argued to be the business of voluntary organisations.

5.2.5 Self-direction

Fourteen per cent of managers (n=28) ranked self-direction as their most important value (see Table 23 below). According to Schwartz, it includes the values of creativity, freedom, choosing own goals, curiosity, and independence. When asked to rate ‘self-direction as a guiding principle in their lives’ the vast majority of respondents (91%) considered that self-direction was important in their lives. Nine per cent of respondents considered that self-direction was not important at all.

Table 23: Self-direction as a guiding principle in your life

	Frequency	Per cent
Very important	79	38.3
Important	108	52.4
Unimportant	19	9.3
Total	206	100.0

The importance of the value of self-direction to the respondents was reflected in the qualitative data. Many of the managers described themselves as self-starters, and self-driven. One manager of a medium sized, Dublin based organisation described how she interpreted the value of self-direction:

‘I am a person who wants to be doing new things, who wants to create new ways of doing things, of thinking differently...I prefer to read books, think that is a load of rubbish and do it my way’ (VO 6).

Another manager who had founded the organisation in Dublin that she managed said that, in relation to self-direction, that she liked challenges:

‘Against great odds, nobody thought I would get it off the ground. The years when we had difficulty keeping the organisation going, getting continued funding and all that, I used to fight for ...The families know that’ (VO 11).

5.3 Least important values

The data also revealed the values that managers considered as least important. Managers ranked power and hedonism as their least important values. Of the 11 values, power was most frequently cited in the survey, as managers’ least important value (N =90 or 43.7%), (see Figure 3 below).

Figure 3

The value that is least important to you as an individual

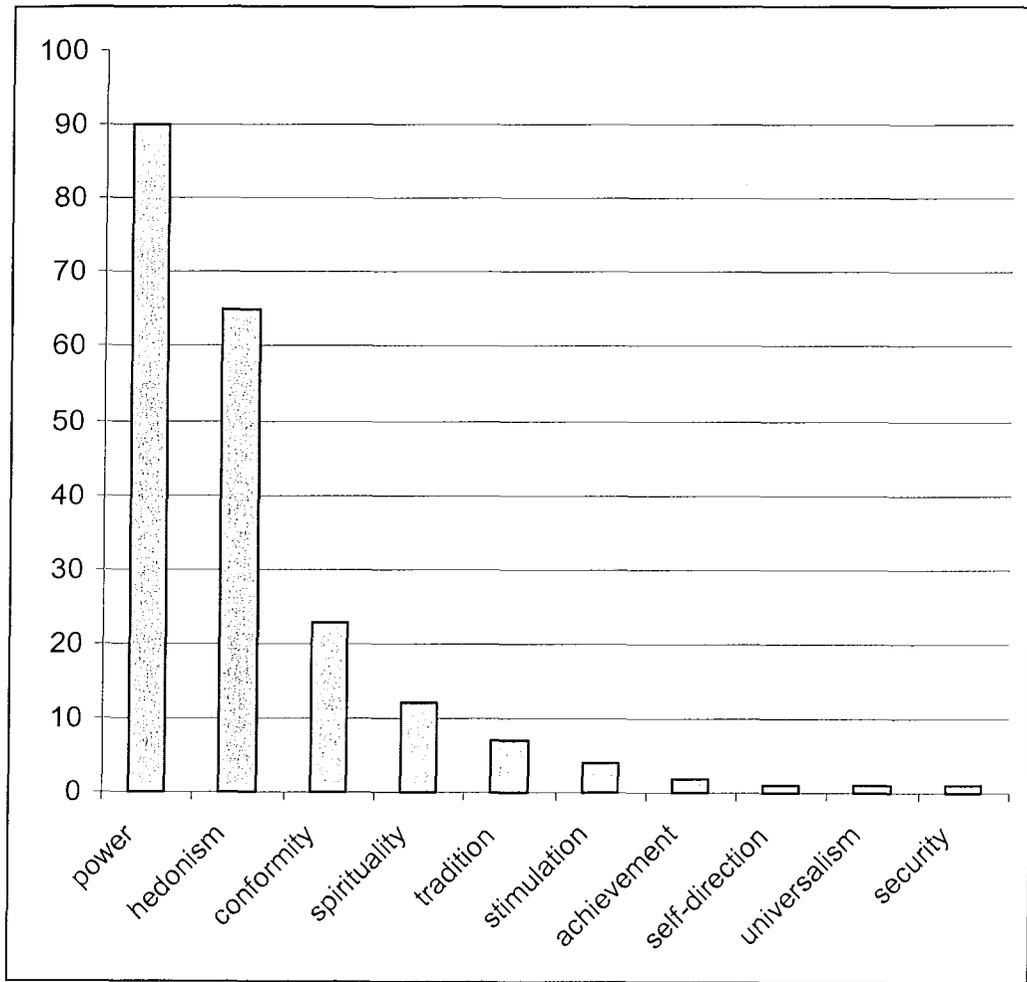


Table 24 below gives the frequencies for the two values, power and hedonism that were ranked as managers' least important value.

Table 24: The value that is least important to you as an individual

	Frequency (N)	Per cent
Power	90	43.7
Hedonism	65	31.6

When asked to rank power as a guiding principle in their lives, over half of the respondents said that (N=109) it was unimportant to them. A further 47 per cent indicated that power was important to them. Further details are contained in Table 25 below.

Table 25: Power as ‘a guiding principle in your life’

	Frequency	Per cent
Very important	40	19.4
Important	57	27.7
Unimportant	109	53.0
Total	206	100.0

The following CEO explained the benefits for himself of having extra power:

‘Instead of local committees having power, I now have the authority to influence the whole organisation, which I didn’t in the past. I would say now that in the last couple of years, that is why I enjoy the work more’ (VO 2).

Hedonism was cited next most often, after power, as the least important value. Three-quarters of the respondents rated power and hedonism as their least important values. Sixty-five managers (31.6%) indicated that hedonism was their least important value. Fifty seven per cent (N=118) of managers said that hedonism was unimportant as ‘a guiding principle in their lives’, (refer to Table 26 below).

Table 26: Hedonism as ‘a guiding principle in your life’

	Frequency	Per cent
Very important	21	13.1
Important	61	29.7
Unimportant	118	57.2
Total	206	100.0

Forty three per cent of managers ranked hedonism as important as a guiding principle in their lives.

5.4 Reasons for working in the voluntary sector

It is clear from the data that presented so far that values play an important part in the working lives of the managers in the survey. To explore this idea further, in interview managers were asked about their reasons for working in the voluntary sector. With three exceptions, respondents said that values were a driving force in their decision to work in the voluntary sector. The majority of managers interviewed suggested that they worked in the voluntary sector because of a commitment to a particular client group or, more generally, from a sense of social justice, of wanting to do something worthwhile. For example, when asked why he worked in the voluntary sector, one manager of a small, locally based organisation said:

‘The reason I do it is for the social justice reason that comes from spirituality...I think it is the one underpinning thing and if I didn’t have that value I wouldn’t be doing this work’ (VO 7).

Another respondent commented:

‘It was a choice of values, what I wanted to do and what I wanted to achieve’ (VO15).

Another manager, who had worked in a variety of voluntary organisations both in England and Ireland for the past 25 years, said that she worked in the voluntary sector because she wanted to do something worthwhile.. One manager, who had worked as an accountant in the financial services sector for many years prior to moving to a voluntary organisation, commented:

‘The values I think are different... [from the private sector]... and in some way I sensed that, and it came from the Board all the way down and that had huge appeal for me’ (VO 4).

According to the majority of respondents it seems that values were central in their decision to work in a voluntary organisation. In particular, the values that respondents spoke about appeared to emphasise social justice issues, as the comment from the following respondent illustrates:

‘I believe in a more inclusive society and respect for individuals regardless of their level of disability or disadvantage’ (VO 2)

While 17 out of the 20 managers interviewed purposefully chose a career in the voluntary sector, three of them began working in the voluntary sector by default. One had been working in the private sector as an assistant accountant and accepted a job in a voluntary organisation as a career move; another respondent simply took the first job that came his way. Both of these people had remained in their organisations for 20 and 25 years respectively. At the time of interview, both were chief executive officers and stated that they were totally committed to the needs of the clients they served and to the agencies in which they worked. One of them commented, for example:

‘You would have to get me out of here with a shoehorn (VO 10).

The third manager who had arrived in the sector ‘by default’ had been working in the public sector. She moved to the voluntary sector to establish a new organisation, as she said that it seemed to be the most appropriate sector for the needs of the service she wanted to set up. All three of these managers espoused humanitarian values, although

two of them acknowledged that they would not always have done so. They said that exposure to human beings suffering from significant disadvantages had changed their attitudes.

It appears from the data presented so far, that the majority of managers (N =17) were drawn to work in the sector because of their value system. As already noted in the literature review, Judge and Bretz's (1992) work on values and decisions about job choice, suggests a significant link between the two when information about organisational value systems is known. Judge and Bretz argued that the values of concern for others, achievement and fairness have more influence on the individual's choice of job than pay or promotional opportunities. They found that for all values except honesty, the values present in an organisation best-predicted job acceptance when the value emphasised matched the primary value orientation of the individual. They also found that values are an important determinant of a person-organisation fit, and it is to this latter concept that we now turn our attention.

5.5 Personal values and organisational values

To summarise the findings so far, the quantitative data showed that the five values that the majority of managers considered were of most importance were universalism, achievement, spirituality, benevolence, and self-direction. In interview, the majority of managers indicated that values were instrumental in their decision to work in the sector. As we saw earlier in Chapters One and Two, values are considered central to voluntary organisations (O'Neill and Young 1988, Kramer 1990, Jeavons 1992, Hudson 1995). Indeed, O'Neill and Young (1998) asserted that values are a distinctive feature of non-profit organisations.

The relationship between managers' values and managers' perception of their organisational values will now be explored. It is anticipated that there will be congruence between what managers say are their personal values and what they see, or claim to be,

the organisation's values. In other words, we would expect to find a good 'fit' between the stated values of the managers and what they say are the organisational values.

In interview, respondents were asked to identify the three main values of their organisation. Analysis of the answers led to the finding that social justice and respect for all individuals were cited by most managers as the main organisational values. As one manager of a small, recently established advisory organisation said:

'The most important thing is helping people and empowering people' (VO 9).

The responses of the interviewees very much revolved around the needs of clients and the responsibility of the organisation to keep clients' needs as a central focus and to be client driven. One manager of a community based, small organisation stated for example:

'It starts with the people. The most important people are the families...It would be alongside families, being with them, not going in as any kind of expert, not talking down to them. It's respect, it's showing them they have something good and working on the positive side'(VO 11).

Overall, most managers described the value of respect for people as a philosophy, or a general attitude to people. As a manager of a well established, national organisation said in interview:

'Whatever your particular path is that has brought you to ...you can expect to be treated with respect, given time, a hearing, empathy. Fundamental respect for you as a person and that would be regardless of where you came from, whether you came in wearing a fur coat or denim jacket' (VO 4).

Managers are saying, therefore, that respect for people and social justice are important organisational values. They have also said that universalism, spirituality and benevolence are important to them personally. It appears, therefore, that there is a fit between the organisational values of social justice, and respect for people and the personal values of universalism, spirituality and benevolence. We noted earlier, for example, that, according to Schwartz (1990) universalism includes the values of social justice, equality and inner harmony. Thus, it could be argued that one benefit that

managers could be deriving from working in voluntary organisations is the opportunity to live out their values by working in organisations dedicated to the public good, that managers believe contribute something worthwhile to society. Bretz and Judges' (1992) research, already cited above, has suggested that values are an important determinant of person-organisation fit.

Whilst the research presented in this thesis looks at data from the perspective of managers only, we know from the literature that the personal values of leaders tend to become associated with the organisational values (Selznick 1957, Hambrick and Mason 1984). Furthermore, many theorists have shown that managers' values are influential in shaping organisational values (Schein 1990, Finkelstein and Hambrick 1996). The research presented here cannot support such a claim for managers in voluntary organisations however it appears from the data here that there is a fit between what managers say are their personal values and what they see as the organisational values.

The data did not show any significant variation in managers' perception of organisational values according to the service being delivered or the size of the organisation.

5.6 Conclusion

In this chapter we have addressed the first research question, which was to establish the values that are important to managers in voluntary organisations. Using the Schwartz Value Survey (1992), this study revealed that managers' five most important values are universalism, achievement, spirituality, benevolence, and self-direction. Managers said that social justice and respect for the individual were the main organisational values. According to managers, therefore, there is compatibility between their stated personal values and what they see as the organisational values. It is acknowledged that the findings in relation to organisational values and the person-organisation 'fit' are preliminary, as this study is based on the perspective of managers, and the views of other stakeholders are missing from this account. More wide-ranging research into

organisational values that included the views of all the stakeholders would significantly advance this area of scholarship.

The second research question is to explore how managers' values translate into the practice of management in voluntary organisations. The next chapter begins this task by examining respondents' views on their style of management, and their views on the style of management generally practised in the wider Irish voluntary sector.

Chapter 6

Values and Management Style

6.0 Introduction

The previous chapter of this thesis looked at the data on managers' values. It concluded by suggesting that, according to managers there is a good person-organisation fit. The second research question, as laid out in Chapter 1 above, is how managers' values translate into the practice of management in Irish voluntary organisations. The next four chapters, therefore, will address this second research question by looking at managers' views on a range of management practices.

One of the most obvious manifestations of management practices is the style of management adopted in an organisation. Style has been defined as 'the distinctive manner, pattern or approach of individuals or entities in doing something' (Oxford Dictionary 1996). As was stated in Chapter 3, one of the most influential contemporary writers, John Purcell, (see Purcell 1982, 1987, Purcell and Grey 1986, Purcell and Sisson 1983) states that management style is ... 'the existence of a distinctive set of guiding principles, written or otherwise, which set parameters to, and signposts for, management action in the ways employees are treated and particular events handled' (1987: 267).

Management Style can, according to empirical studies, be categorised on the basis of four determinants. Firstly, how managers makes decisions, secondly, how managers handle information, thirdly, how managers build social relations to other individuals in the Organization, and finally, how managers exercise control and motivates others. This study will use these categories to examine and discuss the style of management that respondents in the survey said that they used.

In order to explore how managers' values translate into their management style, firstly the question of what style of management is adopted by the respondents will be addressed. This chapter will explore managers' perception of their own style or approach to management, as well as their views on the style of management in the Irish voluntary sector as a whole. How managers' values impact on their management style will then be examined. Given the crucial role that values play in voluntary organisations as suggested by the literature (Kramer 1987, O'Neill and Young 1988, James 1989, Jeavons 1992, Salamon 1996, 1999), it is suggested that the style of management described by the respondents will be related to the values that they state are important to them.

6.1 Management style

Some preliminary data is available on the respondents' view of their style of management from the quantitative survey, which is amplified with data from the in-depth interviews. In the in-depth interviews, respondents were asked a number of more probing questions. They were asked to describe their style of management, they were asked if they varied their style according to circumstances or the needs of staff. They were also asked for their view on the style of management in the voluntary sector as a whole, and also if they viewed the management style in the voluntary sector as more feminine or masculine in orientation. We shall firstly consider what the quantitative data tells us about the respondents' view of their management style and then we will further explore their perceptions using the qualitative data.

Managers, in responding to the survey, tended to regard their own management style as consultative and participative.

Table 27: The degree to which the organisation consults with the consumer

	Frequency (N)	Per cent
Often consults with consumer	145	70.3
Occasionally consults	45	21.8
Rarely consults with consumer	16	7.9
Total	206	100.0

The data on Tables 27 and 28 indicate that the managers in the study said that the norm was for consultation to occur, although, interestingly, managers said that they consulted more often with staff (94%) than with consumers (70%).

Table 28: Frequency of consultations with staff over decisions that affect them

	Frequency	Per cent
Often	193	93.7
Sometimes	13	6.3
Never	0	0
Total	206	100.0

Furthermore, ninety-two per cent of managers said that their organisation was democratic, a figure borne out by the high numbers who stated that they involved staff in decisions (93.7%) that affected them. Ninety-six per cent of managers described their organisation as participative. In other words, managers were indicating their support for a consultative/participative approach to management.

So far, the quantitative data suggest that the respondents considered that they had a democratic, inclusive management style. To achieve a more in-depth understanding of this approach to management, participants were asked about their style of management

during the fieldwork interviews. There was a great deal of similarity and overlap in the style described by the respondents. Some of the words that respondents used to describe their style were ‘facilitative’, ‘enabling’, ‘consensual’, ‘consultative’, and ‘open’. One respondent who had been chief executive of a large, Dublin-based organisation for 25 years gave this view on his management style:

‘I would like to think of it as enabling - it’s not top-down, and it’s not directive. It’s by consultation, by consensus’ (VO 10).

Frequent reference was made by managers in interview to this type of consensual approach to decision-making. This can be seen in the following quote from an interview with a manager of a small, national association:

‘An inclusive style is used most often. We look at the problem, we see what needs to be addressed. Then by and large we come to a consensus about the solutions. ‘We’ means at a staff team meeting, manager and staff together’ (VO 5).

Another chief executive of a large, multi-centred organisation also said:

‘I am inclusive and like listening to people so you get ideas all the time. I work with my door open and I think I am fairly accessible to people as well’ (VO 2).

This idea of an open door, accessible approach to management was alluded to often in interview and was associated with a hands-on approach. The following manager of a medium-sized, national organisation suggested:

‘I would like to think I have an open door...I think I am approachable on a daily basis to staff and I try to involve myself in a very hands-on approach’ (VO 4).

A hands-on style of management thus was stated to be the norm as reported by managers. ‘I lead by example’ (VO 9) said one manager, while another stated that he did not ask staff to do anything he would not do himself.

Another respondent who had managed a small, community-based service for 25 years gave the following description of her management style:

'I talk to my staff every morning to see if they are happy and then I delegate what we'll do today. I would involve staff in most decisions (VO 14).

As can be seen, therefore, managers in interview said that they had an open, consensual, inclusive style of management. This is explored further in the next section when we examine the people-centred approach that managers in this research also said they had.

6.1.1 A people-oriented style

As noted in Chapter 3, many theorists conceived of the various management styles as lying on a continuum. While the terminology differs, it can be suggested that, in essence, at one end of a continuum are people who are very task oriented and concerned with output. Task-oriented people are those with strong concerns about a group's goals and how to achieve them (Bass 1981). These people are also referred to production-oriented, goal achieving, work-facilitative, or goal emphasising (Blake and Mouton 1964, Bass 1981). At the other end of the continuum are people who tend to pay more attention to process than output and place a higher priority on people than tasks. Managers who have strong concerns about their group members' relations with them and each other and express these concerns by creating a friendly and supportive atmosphere are said to be people-oriented (Katz *et al.* 1950, Beatty 1988).

The quantitative data showed that 97 per cent of managers said that their organisations were either caring or very caring. Furthermore, the majority of respondents (90%) said that there was a friendly atmosphere in their workplace. It is not unexpected that the majority of respondents would view their organisations as friendly and caring, but managers also seemed to be placing an emphasis, themselves, on people-centredness. Perhaps also as a consequence of this stated strong person-orientation, the majority of managers (67%) perceived that there were high levels of staff morale in their organisations, (see Table 29 below). It could be suggested that managers themselves were transferring their own view of people orientation onto their organisation, and wanted to view their organisation thus.

Table 29: How high is morale in your organisation?

	Frequency (N)	Per cent
High staff morale	139	67.5
Average staff morale	49	23.8
Low staff morale	18	8.7
Total	206	100.0

In addition, managers said that they placed a high value on their interactions with staff and that this is important to them (see Tables 30 and 31 below).

Table 30: Communications with staff face-to-face

	Frequency (N)	Per cent
Often	199	96.6
Sometimes	6	2.9
Rarely	1	.5
Total	206	100.0

Almost all the managers said that they held face-to-face interaction with staff frequently and most of them (96%) said that they met regularly with all their staff, while 91 per cent said that encouraged teamwork.

Table 31: I meet regularly with all staff

	Frequency (N)	Per cent
Yes	197	95.6
No	9	4.4
Total	206	100.0

The quantitative and qualitative data in this study revealed a clear pattern, in that the respondents said that they displayed a primary orientation towards people rather than toward processes or outputs. As one respondent said:

‘There is a lot of give and take. Human beings will always take priority with me over anything else because they are the biggest resource we have and they are tremendous. (V0 5).

Another manager believed that her most important job was to support the staff as the following quote illustrates:

‘My main function is to make sure that staff are stable and motivated’ (VO 6).

The stated people orientation of managers in interview can be seen in the following quote from a respondent who was discussing how staff are treated differently in the commercial sector:

‘The difference is the way you view staff. You’re not looking towards staff as having to produce a contribution toward bottom line profit. It’s a totally different thing altogether- what you are looking for is someone who will fit into a family of an organisation, that will share in the general ethos of the organisation’ (VO 10).

The analogy of a family that the above manager used to describe his organisation brings to mind Handy’s (1997) view. He suggested that perspectives of organisations are changing to embrace a concept of ‘community’. In these communities, employees are thought of as citizens rather than human resources. It could be argued that in voluntary organisations there is a good fit between these concepts of family values, organisations as communities and employees as citizens. The above manager said that she consciously sought staff that already possessed the appropriate values in order for them to fit into the ‘family’ of her organisation, a view echoed by most other respondents. Another respondent said that, in her organisation, the induction period was used to socialise staff into the ethos and values of the organisation.

These views indicate an awareness in managers of the importance of values permeating the whole organisation. A further indication of the respondents' stated primary orientation toward people emerged during the interviews. Managers said that they were aware of staff needs. A manager of two community-based projects gave this example:

'I got a phone call from a member of staff today who is not well. I asked another staff member how long we could pay that person for. Realistically, we will pay that person for as long as we can without telling the funder because that person has been very good since they came here' (VO 7).

Another newly appointed manager of a small, volunteer organisation suggested that she changed her style according to the needs of her staff. She said:

'Different people need different styles. Some people need direction more than I would like to give them. Sometimes you have to be easygoing with people, coax them, pat them on the back, other people you have to be more stern' (VO 18).

Another manager said that the needs of staff took priority:

'If a staff has health needs or child-care needs, or anything like that, difficulties with children, that's a huge priority and that is much more important than them being at work here anxious...there would be evidence here at times when the staff are more important than clock-watching and the staff would respond to that in a tremendous way by staying late another time (VO 5).

This chapter set out to explore managers' perception of their management style and a picture is now emerging from the data. Respondents view their style as inclusive, consensual, participative and people-centred. Besides being asked about their own management style, in interview managers were also asked for their views on the style of management within the wider voluntary sector and the analysis of their responses are contained in the next section.

6.2 Management style in the wider voluntary sector

In the in-depth interviews managers were asked for their views on the style of management in the wider voluntary sector. A number of respondents were unable to comment on what sort of management style prevailed in the wider voluntary sector as they said that they had little involvement with agencies other than their own. Of those who were able to offer a view, there was considerable variation in the responses. Several respondents related management style to the size of the organisation, suggesting that the larger organisations were more professional in their approach. Two other respondents said that they had witnessed a management style imported from the private sector that had failed. The following is the comment from one of them:

‘I’ve seen people put in rigid management style that may prevail in the private sector and they have failed miserably’ (VO 7).

In terms of what differentiated the style of management in the voluntary sector, two respondents referred to the slower pace, and the emphasis on staff

‘There’s a higher than usual focus on the staff in terms of how they feel, how they cope’ (VO 9).

Other words that the respondents used to describe the style of management that prevailed were democratic, consultative, and consensual. While the managers were less expansive in discussing management style in the wider voluntary sector than when they were talking about their own style, nevertheless, the responses given were similar to the responses regarding their own personal style.

The next section goes onto explore another aspect of management style in the voluntary sector as a whole. Given that the survey had revealed that there were more female than males in the sample, the author was interested to discover if managers thought that there was a gender element associated with the management style described by the respondents. This is the topic explored in the next section.

6.2.1 Management style and gender

In interview managers were asked whether they would describe the management style within the voluntary sector as more masculine, that is competitive, or more feminine, that is caring and co-operative, in orientation. The Economist Intelligence Unit Korn/Ferry (1996) study described those with a masculine management style as having the following five traits: risk-taking, self-confident, competitive, decisive, and direct. Those with a feminine management style were said to be empathetic, supportive, nurturing, relationship-building, and shared power and information.

The figures from the survey show that males were in the minority (44.2%, N = 91), while females accounted for 56 per cent (N = 115) of the sample. As the majority of managers in this study were women, it is pertinent to explore if there was any significance in this relation to management styles. Interestingly, analysis of the quantitative data showed no significant difference between the values of men and women managers, although it is noted that there were title differences, (the majority of executive directors were men, while the majority of managers were women). This finding was borne out by the qualitative data, as there was no obvious differentiation in the views expressed according to gender.

The majority of the managers said that that, overall, the sector's style of management tended to be more feminine than masculine. The following comment from a male manager of a large national organisation, was typical of the views expressed:

'I'd say more feminine overall but it's such a diverse sector there's probably a mixture of both but more feminine overall' (VO 2).

Another female manager compared the management style of the voluntary organisation where she currently worked to the management style of two private sector organisations that she had previously worked in:

'It is more feminine really because it is a caring profession. It's not competitive...the accountancy firm was 100 per cent masculine, and the insurance company was 80 per cent' (VO 18).

Indeed, respondents used the term ‘masculine’ to typify a stereotypical approach to management that focused on competition, on the bottom line and results. One manager who said that that he sat on the board of a semi-state body commented:

‘The commercial sector, I would not like to be working there... there is a culture of bravado’ (VO 10).

None of the men or the women interviewed associated this approach, however, with either males or females. The following manager said that the males she knew in the voluntary sector exhibited a feminine style:

‘The people I have dealt with are mostly men but they have that feminine approach’ (VO 11).

Both male and female managers used the word ‘caring’ frequently to illustrate how they believed that the voluntary sector was more feminine in its orientation.

‘The people involved are more caring and take more caring approaches’ (VO 15).

These comments were consistent with the findings from the quantitative data noted earlier in this chapter that showed that 97 per cent of managers perceived their organisations to be either caring or very caring.

The description of ‘caring’ is interesting in itself, as it is a word that feminists would argue that is associated with the female role in society. Worthy of note is that when caring was cross-tabulated with gender, no statistically significant results were found. This means that male managers were just as likely to perceive their organisation as caring as the female managers. This bears out Donoghue’s (2001) note of caution about stereotyping both the voluntary sector and women as caring.

Like the myth of ‘goodness’ that Donnelly-Cox and Jaffro (1999) suggest is identified with the voluntary sector, perhaps there are also commonly held assumptions made about the role of women and caring in voluntary organisations. The findings discussed above

demonstrate the value in exploring the complexity of these roles in voluntary sector organisations.

The evidence from the both the quantitative and qualitative data suggest that the feminine approach to management that respondents described has more to do with the values of the managers in the voluntary sector rather than their gender. The following manager expressed the view that a combination of both so-called masculine and feminine traits are needed to manage voluntary organisations:

‘I see feminine values definitely in.... I would hope that managers would have feminine qualities and it is a help. If you are all masculine, the budgets, the money, and the figures, I think they (the management board) are looking for those sort of people, but I think they are also looking for a balance’ (VO 8).

The results of the Economist Intelligence Unit survey (1996) confirmed this view that this dual approach to management is more effective than a singular approach.

One further aspect of the masculine versus feminine style of management discussion merits attention. While the consensus from the managers that were interviewed was that there was a more feminine than masculine style of management practised in voluntary organisations, two respondents related a masculine or feminine management style to the life cycle of an organisation. The view was expressed that as an organisation gets bigger and takes on a closer relationship with the state, it changes from having a feminine management style to a more masculine management style. This is highlighted in the following comment:

‘As organisations get bigger, they probably go more toward the masculine mode or competitive and if they are smaller, and more in the beginning stages they are probably more feminine’ (VO 8).

Indeed, some respondents suggested that voluntary organisations become more like statutory agencies as they get bigger. Similar views were also noted earlier when managers were asked about the style of management in the wider voluntary sector. Kramer (1987) has argued that as voluntary organisations get bigger, they adopt more

bureaucratic policies and procedures. Meanwhile, Donnelly-Cox and O'Regan (1998) have suggested that, with age voluntary organisations in Ireland move towards an institutional approach, which is characterised by professionalism with the majority of funding coming from the state. Furthermore, they argue that the professional, not the organisation, becomes the repository of the 'philanthropic value' when an organisation moves to phase three of its growth (1998: 19).

These comments from several of the respondents support the view in the literature that organisations become more formal and structured as they get bigger. One might, therefore, expect to find a difference in the value structure and a decrease in the importance of caring in the larger, more established organisations. The data did not show any such difference, however. This finding can be contrasted with Salamon's (1996) concern regarding the crisis in the non-profit sector brought on by increasing bureaucratisation.

6.3 Management style and values

In the previous chapter we noted that there was a congruence between the espoused values of the managers and managers' perception of their organisation's values. Having now determined that the respondents perceive that their management style is consensual, open, and people-oriented, we can now address the second research question, which is how managers' values translate into the practice of management in voluntary organisations. Does this style relate to the values espoused by the managers in the study? To throw further light on this question, in the interviews respondents were asked about what they saw as the connection between the three values that they had indicated in the questionnaire were important to them and their management style.

The common view expressed by the respondents was that there was a significant overlap and similarity between their values and their management style. The close relationship between management style and the values of the managers that emerged from the data

was well described by one of the interviewees. He said that the organisational value of equality was one of the factors that attracted him to his job. Later in the interview when he was commenting on his management style he said:

‘My philosophy is we are all here as equals...the only difference is I carry the can and provide the necessary leadership’ (VO 16).

One response from a manager of a large national organisation was:

‘An acceptance of people for what they are. An openness, a tolerance...there is the desire to succeed as well, an ambition and pride in the organisation’ (VO 20).

Many managers echoed sentiments similar to these. They emphasised the importance of being client-focussed and delivering best-practice services. One way or another the importance of people was kept to the fore as in the following quote:

‘The most important thing is about supporting people and empowering them’ (VO 9).

The following manager who had helped to found her organisation and had worked as chief executive for the past ten years commented:

‘The philosophy of [VO 6] reflects my values. That’s because I have been here forever. I was involved in founding the organisation so that is normal and natural. There’s quite a bit of me in [VO6]’ (VO 6).

Another founder/manager reflected that the reason she founded her organisation was that it fitted with the way she liked to work and it was compatible with her values:

‘The reason I started [VO 11] was because it fitted into my own values and because of where I was in my personal life’ (VO 11).

One of the respondents who had worked in his organisation for 25 years and had been chief executive for 14 of those years, believed the organisation had grown and developed around him:

‘When I came here the organisation was in its infancy so it has grown with me and I have grown with it. The organisation is 50 years old and I am 25 years in it...There’s a lot of me in all of that, in various aspects from

accounts to various other systems. In the management team, 80 per cent of them would have been appointed by me over a period of time' (VO 10).

In this study, phrases such as 'empowering', 'helping managers manage', and 'supporting staff', were used frequently. For example,

'A value we believe strongly in is empowerment' (VO 2).

The above comments demonstrate the significance of values in this management style. Words such as 'believe', 'value' and 'philosophy' that were used by the respondents suggest a values-driven approach to management.

One of the respondents who had founded her organisation believed that the founder or founders are very influential in establishing a style of management and that, once established, it survives and continues, even with changes of the person-in-charge.

'One of the interesting things is that the style of an organisation tends to get embedded at an early stage, and no matter what personnel changes, and people come in and out, the style and attitude of the organisation tends to continue' (VO 6).

6.3.1 Competing values

Despite this orientation toward a people style of management that managers reported, in the interviews some respondents referred to a tension between meeting the needs of staff and the organisational goals. This tension was described as the need for a balance between supporting the staff and getting the work done, and the need for balance between democratic decision-making processes and the reality of the responsibility of the chief executive. One manager said that she placed equal value on the needs of her staff and the clients of the organisation as she recognised that 'one needs the other'. The tensions that she faced, however, were revealed, as she also said that at times, she had to sacrifice efficiency in the interests of staff.

‘I do like efficiency and that sort of thing but I can't get hung up on planning and efficiency because that is not the priority (VO 9).

Some managers referred to situations where they had to typically confront situations where competing values were at play. They may have to choose between behaving efficiently and compassionately, between the needs of their staff and the clients they serve. According to Rokeach (1973) a person's hierarchy of values determines the choice that is made. In the example above, the choice was made to give priority to staff needs.

Another manager acknowledged that at times, she experienced a tension with the general culture of tolerance prevailing in her organisation, which, she felt could be also be interpreted as ‘lax administration’ (VO 3). She suggested that her role was to keep a balance between the competing values of efficiency and tolerance by keeping the organisation running smoothly within the ‘easy-going atmosphere’ that the volunteers created.

This need for balance has been noted by Jeavons (1992). In the long run he believes the effectiveness of the organisation will be undermined if those in charge are not seen to honour a range of basic human, social, and professional values in the way that it operates. When discussing management style in interview, many respondents said that they would change their style from a democratic, participative approach to a more directive one if the situation warranted it. For example, the manager quoted below said she changed her style if tasks needed to be completed.

‘I can be plain straightforward directive at times and authoritarian at times but not too often. Inclusive is the style used most often’ (VO 5).

Despite their consultative, democratic approach to management, many managers said that they were aware that at the end of the day they had to be responsible for decisions taken, a view voiced by the following manager:

‘It’s a way of them knowing that you are the boss and if you need to, you are the boss. They have that guidance, they’re not free-floating. The other side of that is you see them as people and you are aware of their difficulties and problems...Positives should be praised as that is how you get the best out of people’ (VO 11).

Overall, it appears from the data that while the people-centred approach typified management style, at times this caused tensions in perceived levels of efficiency and, at times, the need to achieve organisational goals, resulted in a shift toward a more task-centred approach.

6.4 Conclusion

The objective of this chapter was to begin to address the second research question, which was to explore how the values of managers translate into the practice of management in voluntary organisations. Having examined management style, the conclusion was drawn that that managers perceived it as consensual, consultative, open, and inclusive. Furthermore, the data indicated that the respondents were more ‘people-oriented’ than ‘task oriented’. When respondents were asked about the overall style of management in the voluntary sector, the language used was similar to that used by the respondents to describe their personal management style.

Furthermore, respondents regarded the style of management in the Irish voluntary sector as more feminine than masculine in orientation, in that the feminine style was related to a more caring approach. The data from this study demonstrated that, although there were more women than men in management positions in voluntary organisations, the values and management style were not differentiated by gender. No significant differences were apparent in the management style of men and women and no significant differences were found in the values of men and women managers.

Reflecting on the research question, which is how management values are translated into management practices, in the case of management style, overall there appears to be a good 'fit' between managers' description of their style and values. Four out of the five values that managers identified as important to them, universalism, spirituality, benevolence, and self-direction find resonance with the caring, enabling, people-focussed style of management that managers described. There was some evidence, however, to suggest that at times there was a tension between respondents' need to be efficient and achieve organisational goals, and the people-centred approach. As in the previous chapter, it is acknowledged that the findings in this study are based only on the perception of managers. Further research to include the views of other stakeholders, such as staff and management committee, would advance scholarship in this area.

The next chapter, Chapter 7, will continue to address the question of how values translate into the practice of management by considering another important aspect of management practice, which are the human resource strategies of voluntary organisations. As voluntary organisations are very much a human enterprise we would expect to find that the values and ethos of the organisation that the managers described are reflected in how staff are managed. The following chapter will discuss to what extent this is the case.

Chapter 7

Human Resource Management Strategies

7.0 Introduction

So far this research has identified five values that the majority of managers of voluntary organisations in this sample say are of most importance to them. Furthermore, managers have said that their preferred management style is, as shown in Chapter Six, consensual, consultative, and people-oriented, which would suggest that, from the managers' perspective, there is a good person-organisation fit.

This chapter will look at a further critical aspect of management practice, that is, an organisation's human resource strategies. As voluntary organisations rely entirely on people to achieve their mission, managers' attitude to staff management issues is critical. Jeavons (1992) argues that the mission and values must be reflected in all aspects of a voluntary organisation's management. If this is the case, then it is suggested that there would be progressive and supportive human resource practices in voluntary organisations. If values are central to voluntary organisations, as the literature has shown, then it could be suggested that the values that managers state are important to them would be reflected in what they say are their preferred human resource practices.

In the survey, managers were asked about their attitudes to a range of human resource practices such as performance appraisal, staff training, recruitment, flexible work

practices, and supervision. All of these questions focused on what managers' perspectives were on such provision, not on the policies of the organisation. and then this was followed up with specific questions in the interviews, which asked them about their views on the level of provision of these strategies within their organisations. In the interviews managers were asked about whether performance appraisals were carried out in their organisation and their purpose, and they were asked questions about the amount of staff training available and how it was funded. They were asked about conditions of employment such as pay scales, contracts of employment, shift-work, flexible hours and access to paid maternity leave. Staff training and development

7.1 Staff training and development

Providing relevant, accessible staff training is, typically, one of the central features of an organisation's human resources plan (Garavan and Heraty, 2001). The first human resource strategy that is discussed is managers' views on the need for training, and the actual levels of training that managers say is provided. In the survey, managers were asked if they supported the idea of staff having regular training. The majority (88%) favoured regular training, although 15 (7%) managers said they were opposed to it. Details are contained in Table 32 below.

Table 32: Staff should have regular training

	Frequency (N)	Per cent
Agree	181	87.8
Neutral	10	4.9
Disagree	15	7.3
Total	206	100.0

The implications are that managers considered it important that staff are trained in doing

the jobs they are employed to do. The qualitative findings were consistent with the survey results. All the managers indicated strong support for training as evidenced by the following quote:

‘There would be a very good emphasis on training and I am very keen on training’ (VO 4).

Indeed, one manager said that training opportunities were mentioned in recruitment advertisements to provide an inducement to potential applicants. Generally, access to courses was not restricted to those that had a direct relevance to the applicant’s particular job. The need for training was interpreted quite liberally as the following manager indicated:

‘We have a philosophy to train staff in their own personal development’ (VO 16).

The one exception to the general supportive attitudes to training was where the manager indicated that her management board disapproved of any training unless staff wished to pursue a Diploma in Social Care, which was a basic requirement for staff in that industry. The manager cited examples of staff that had worked in the organisation for ten years or more who had never received any form of training.

Although managers say that they supported staff training, unless it is budgeted for appropriately, it will remain in the realm of a wish list. Later in this thesis it is noted that the majority of managers felt that their organisations were under-resourced. One manager commented that staff training and development was one of the first items to be cut when there were financial cutbacks.

To obtain managers’ views on the funding of training, they were asked in the survey if there should be a training budget. The responses were similar to those about staff training. Eighty-eight per cent of managers agreed with having a budget allocation for training. Seven per cent of managers, however, did not agree with having a training budget, (see Table 33 below).

Table 33: Should there be an allocation for staff training in the budget?

	Frequency (N)	Percent
Agree	181	87.8
Neutral	10	4.9
Disagree	15	7.3
Total	206	100.0

Overall, the majority of managers said that they were supportive of training and believed that financial arrangements should be put in place to pay for it. The above data give an insight into managers' attitude to training. To gauge the current provision of training, managers were asked in interview how many training days, on average, did staff have per year. Managers indicated that staff attended between three and six training days per year, on average. Within this response there was great variation, however, as managers said that attendance at training courses depended upon individual need and interest. One manager said that in his organisation, contracts of employment included the right to four days training per annum, although it was up to the individual whether they availed of them or not. This compares favourably with the one to three days training reported by the Cranfield/University of Limerick survey for professional/technical staff in Ireland in 1995 (Gunnigle *et al.* 1997).

For the same reasons cited above, it was necessary to find out exactly what financial resources were available for training. As will be discussed later a scarcity of resources is a significant feature of most voluntary organisations (Faughnan and Kelleher 1994, Ruddle and Mulvihill 1999, Department of Social, Community and Family Affairs (2000). As training makes demands on these scarce resources, an indication of the priority that managers place on training can be uncovered by exploring how it is they said it is resourced within their organisations. Hence, managers were asked if there was a specific budget for training. Only two managers out of the 20 managers interviewed said that there was a specified figure in their budgets that was earmarked for training. Both of

these managers said, however, that the amount set aside was inadequate. Another manager of a large organisation said that he had increased the training budget in his organisation by 100 per cent in the last year and he envisaged the need for further increases.

Despite the lack of resources, most managers displayed adeptness for finding the money somehow if they felt that that the training was necessary. 'We just manage' (VO 17) was a typical response to a question as to how training was funded. Another way of managing to keep training costs down was to use internal expertise. Several managers acknowledged this as a useful strategy. They said that, where possible, they utilised the skills and experience of their staff to provide training to others, as the following manager explained:

'We have the talents within the staff to train people up so there's no extra budget for it (VO 5).

Although managers displayed positive attitudes to training, the problem of finding the resources necessary to pay for training was referred to frequently. One manager said that training and conferences were the first items to be cut during periods of budgetary constraints. He said that while he did not agree with this approach, nevertheless this was the reality. Of the two managers who identified difficulties with staff attending training events, one cited the lack of resources to replace staff while they were absent on training programmes as the reason for her staff not attending. The other manager said that his staff worked shift hours and had little interest in going to training events over and above their rostered hours of work.

Overall managers displayed a positive and open attitude to training. Lack of resources was identified as a problem but where possible managers endeavoured to meet staff's requests in whatever way that they could. If training was needed, managers said that the funding for it was found somehow. Closely aligned with the concept of training is the practice of professional supervision, as will be discussed in the following section.

Supervision is informed by the discipline of social work and is intended to assist in the professional development of staff.

7.1.1 Staff supervision

In social services agencies, an important aspect of staff training and development is the access that staff have to professional supervision. The objective is to provide a supportive environment in which an employee can reflect on their work and discuss difficulties they may have in their job.

As a human resource strategy, it is often integrated into the performance appraisal system. Studies on motivation theory suggest that access to quality supervision increase the sense of job satisfaction of an employee (Moorhead and Griffin 2001). Most employees, therefore, view it favourably. In voluntary social service agencies, the provision of regular supervision for staff could be seen as one indication that management recognises staffs need for professional development and support.

During interview managers were asked if all staff had access to regular supervision. The responses varied in terms of the degree and frequency of supervision but most managers said it was either currently available or that they were working towards making it more available. The nature of such supervision seemed to depend on the size of the organisation and the expertise of supervisors. One manager of a small organisation said she gave a high priority to supervision:

‘We are a small team so I meet with the staff every day, we have staff meetings and meet the staff individually once a week’ (VO 15).

Another manager responded that it was ‘a goal, an aspiration’ to have supervision available for everyone in the organisation but that the provision of it depended on the interest and skills of individual managers. Overall, managers expressed a commitment to the idea of supervision.

7.2 Performance appraisal

We will now see if this supportive approach to training and development is reflected in other aspects of the stated human resource strategies of the managers in this research. Performance appraisals are often considered to be the cornerstone of an organisation's human resource management procedures. Newell (1995) contends that appraisals can contribute and enhance organisational performance if they sit alongside a culture of performance management, organisational learning and within a caring organisation. The findings from the research for this thesis indicate that voluntary sector managers perceive their organisations to be caring and there is some evidence that they also see their organisations as learning organisations (88% of managers said that they support staff training and 83% of managers said that they access work-related learning opportunities).

Annual appraisals give staff an opportunity to consider their strengths, skills, and weaknesses. They have the potential to promote an approach of continuous improvement and give staff a sense of being valued in the organisation (Fletcher 1997). The primary reason for carrying out appraisals is to improve productivity (Waldman *et al.* 1998). Many organisations seek to increase productivity through improving the performance of their human resources (Schuler *et al.* 1992). In voluntary organisations, therefore, it could be suggested that the benefit of conducting performance appraisals should be reflected in improved service delivery.

Performance appraisal is a method of ensuring that employees are aware management is monitoring their professional progress both in terms of their strengths and weaknesses. The objective is for the organisation to build on these strengths and overcome any weaknesses in an effort to improve performance (Fletcher 1997). Many organisations carry out performance appraisals for a variety of other reasons. It encourages communication between manager and staff, they can generate records of progress that can be used for career planning, they can help ensure an individual's goals are consistent with the goals of the organisation and an awareness that both are heading in the same direction (Walters 1997, Fletcher 1997). This means that managers have a commitment

to ongoing improvement and development of their staff. This is crucial in the voluntary sector where, as Donnelly-Cox and O'Regan (1998) have identified, the main resource is the staff.

To firstly ascertain managers' attitudes to performance appraisal, managers were asked in the survey whether staff should have annual appraisals. The majority of managers (84%) agreed with staff having annual appraisals, although 12 per cent (N = 23) did not approve of them. The results are contained in Table 34 below.

Table 34: Should staff have annual appraisals?

	Frequency (N)	Percent
Agree	173	84.0
Neutral	10	4.9
Disagree	23	11.2
Total	206	100.0

These quantitative findings showed that the majority of managers were in favour of staff appraisals and the data from the fieldwork showed that 18 out of the 20 respondents said that there were performance appraisals in their organisations. All except two of the managers interviewed conducted staff appraisals, generally on an annual basis. Of the two that did not have them, one manager said that her management board did not approve, as 'performance is not something you can appraise in a caring agency' (VO 12).

The other person was recently appointed as a manager and said that she did not feel she had yet the skills to introduce a scheme. Nevertheless, she expressed herself in favour of performance appraisal and was looking at ways to introduce it in her organisation. One manager commented that her organisation had been slow to introduce performance appraisal because the emphasis was on 'caring and sharing rather than on professionalism' (VO 3) and she felt that many staff regarded performance appraisals as a threat.

There was consistency in the responses as to the purpose of the appraisals. Most managers viewed them as an opportunity to sit down with their staff on a one-to one basis to review the previous year, to reflect on problems and to identify staff development and training needs. One of the managers described the purpose in the following way:

‘It’s really to reflect on what are the main tasks. How the things you have done over the last year fitted into these tasks, what actually happened, what your performance has achieved, what are your needs, what support you need from the job, any training you need, any things that are bugging you about the office, team or resources, or lack of resources here’ (VO 16).

All managers said that they regarded appraisals as benefiting both the individual and the organisation. Several managers commented that if their staff were happy, this was reflected in their performance. Apart from one instance, appraisals were kept separate from salary reviews and discussions on salary incremental issues. Only two managers described the annual appraisal as fitting into an overall performance management process of the organisation. In general, appraisals were seen as opportunities for time-out from the pressures of daily work. Managers said that they provided an opportunity for staff members and managers to communicate, to reflect on the past year and look forward to the coming one.

For the purposes of illuminating the research question in this thesis regarding how values were translated into the practice of management, the managers’ responses to the purposes of appraisal are, perhaps, the most revealing. There is no doubt that there is expressed support for performance appraisals and, in the majority of cases, they are conducted on a regular basis. Interestingly, however, most managers did not directly equate performance appraisal with improving performance, which lies at the task end of the management continuum. All the respondents placed the emphasis on the opportunity for communication, for reflection, and for some time-out for them with their staff members on a one-to-one basis. This is consistent with the person-orientation management style that managers espoused already discussed above, and is a reflection of the high value managers said that they placed on the process as opposed to having a focus solely on

outcomes.

While the data shows that managers considered that communication with staff was one of the main functions of performance appraisals, it is interesting to note that this is not consistent with how the literature sees it. As noted in Chapter 3, and again at the beginning of this section, according to the literature, the objective of performance appraisal is improved productivity, which is achieved by enhancing the performance of the individual. None of the respondents described the purpose of appraisal using such terms. No doubt it could be argued that strategies such as enhanced communication with staff, and time-out for reflection would result in improved productivity. None of the respondents, however, suggested this.

7.3 Flexible work practices

Generally an organisation will introduce flexible work practices as a way of recognising that the demands and pressures of an employee's personal life needs to be taken into consideration. Flexible work practices are designed to allow the employee balance the needs of a working life with a personal life (Roche *et al.* 1998). Examples of flexible work practices are the availability of part-time work, job-sharing, flexible working hours, and vacation leave.

In the survey managers were asked if their organisation had family-friendly work practices. The majority of managers (84%) said that their organisation had family friendly work practices, (see Table 35 below). Seven per cent of managers said that their organisations did not have family-friendly policies. Whilst it might be expected that managers would answer in the affirmative to this question, these findings are supported by the responses in the interviews. Furthermore the data with regard to the availability of part-time work show the number of part-time staff that managers said worked in their organisations, (refer to Table 4 in Chapter 4). Nearly half of the managers interviewed (45%) said that they employed between one and five part-time staff. A further 18 per

cent indicated that they employed between six and 10 part-time staff. These figures indicate that the availability of part-time work is the norm rather than the exception, or rather, that managers suggest it is the norm within their types of organisation. It could be argued that part-time work is all that voluntary organisations were able to offer. As will be seen from the interviews, however, managers reported a flexible and open attitude to flexible work arrangements, that were not related to resource issues.

Table 35: Has the organisation family-friendly work practices?

	Frequency (N)	Percent
Agree	173	83.8
Neutral	18	8.7
Disagree	15	7.3
Total	206	100.0

Managers were also asked in the survey if staff responded favourably to flexible working practices. The majority (81%) said that staff did respond favourably, with only ten per cent expressing the contrary view. Responses in the interviews also reflected this view. Several managers referred to a 'give and take' attitude that prevailed between management and staff. Several examples were cited where staff were given latitude when they had personal problems to deal with. On the other hand, managers described situations where staff worked through their lunch break or worked overtime voluntarily.

All the managers expressed support for flexible working practices although some said they were limited in how much flexibility they could offer, particularly if staff worked shifts. Residential centres for children, or for people with disabilities usually operate on a shift basis, as they have to be staffed 24 hours per day. Managers explained that it was difficult to alter the times of these shifts although they said that staff had the option of exchanging their shift with another staff member. All of the managers expressed themselves in favour of providing part-time work or job-sharing opportunities where

possible. Many of them cited examples of individual arrangements that had been made for staff to accommodate personal problems. One manager gave the following example:

‘There was one lady, who up until last January was the distribution centre manager and her daughter just had a baby. She is job-sharing so she looks after the child one of the other days. She works Thursday, Friday one week and Monday, Tuesday and Wednesday the next. We try to accommodate individual circumstances. We made her assistant manager and promoted someone else to manager’ (VO 3).

Another manager gave an example of flexible leave arrangements that were available. Staff could work ten out of every 12 months and have the salary spread out over 12 months. The emphasis was on accommodating staff where possible within the restrictions of the needs of the agency, as suggested by the following manager:

‘My idea is to be as flexible as I possibly can...I try to give people what they want. I try to accommodate them because it is not good practice if you don’t’ (VO 4).

Overall, managers demonstrated support for flexible working arrangements both in principle and in practice. They provided opportunities for part-time work, job sharing and flexible working hours where possible. Overall, a positive atmosphere seemed to characterise the employment relationship. Managers recognised that, at times, staff had personal difficulties that needed a sensitive and supportive approach. On the other hand, managers reported that staff did not ‘clock watch’ and were willing to work extra hours when necessary. Managers’ reported attitudes to flexible working hours hold resonance with their preferred management style discussed in Chapter 6. Is also congruent particularly with the value of benevolence, the value that respondents ranked fourth most often as their most important value. Schwartz (1992) defined benevolence as ‘the enhancement of the welfare of people with whom one is in frequent contact’.

7.4 Conditions of employment

From the findings so far, a picture is emerging of managers who indicate that they place a high value on training, supervision, and flexible working practices. These supportive human resource practices are congruent with the style of management said by managers to be theirs as discussed in Chapter 5, and with the values of universalism and benevolence. We will complete this picture by examining one further aspect of human resource management practices, which is the conditions of employment that staff in voluntary organisations enjoy. The human resource strategies we have examined so far could be described as being at the informal end of the employment relationship, in that they are not externally regulated. Conditions of employment, such as pay and leave entitlements, could be described as being at the formal end, insofar as they often form the basis of a written contract or are controlled by legislation. A number of specific questions were asked in relation to employment conditions. The objective was to explore the terms and conditions of employment managers said that the staff in their voluntary organisations enjoyed to see if staff enjoyed generous and humane employment conditions and, furthermore, to see if there was congruence between these human resource practices of the organisation and the values that managers said were important to them.

During the interviews, managers were asked if all staff in their organisation had pay scales, contracts of employment, paid maternity leave and if staff had to work shift hours. Four managers out of the 20 interviewed said that their staff were not on pay scales. Sixteen managers, however, said that pay scales operated in their organisation. One manager who said that her staff were not on pay scales indicated that the reason was financial. She said that if there was money in the budget, staff would be paid national wage agreements, but if there was insufficient money they did not get anything. All managers except one indicated that their staff had contracts of employment. The majority of managers said that staff worked either shift or irregular hours. Where the service was residential, the relevant managers (N= 6) said that staff had to work shifts, as the service had to be staffed 24 hours per day. In the non-residential services, managers reported

that staff often had to work irregular hours, including evenings or weekends, depending on the needs of the service. If staff had to work extra hours, no financial recompense was available but managers said that they access to time-in-lieu was available, which meant that staff could take an equivalent amount of paid time off.

Most managers said that paid maternity leave was available, although the amount payable seemed to vary with individual arrangements and the financial circumstances of the agency. Two managers said that the situation had never arisen, so therefore no guidelines existed in their organisation. Overall, the conditions of employment seemed to reflect the circumstances of the individual organisation with great variation being reported. While most managers said that staff had contracts of employment, they also reported that not all staff enjoyed pay scales. Working irregular or shift hours seemed to be the norm for staff rather than the exception, according to the managers. Benefits like maternity leave seemed to depend on the financial resources available to the individual organisation, managers indicated. Thus, there is evidence from the findings that, with regard to the more formal aspects of the employment relationship, the conditions that staff were stated to enjoy were often, at best, compliant with minimum legislative standards.

7.5 Conclusion

The purpose of this chapter was to explore the relationship between what managers said were the human resource practices in their voluntary organisations and their stated values. The majority of managers in this study displayed a positive, supportive attitude to human resource management strategies. They said that they believed in supporting and developing their staff. Managers' views were sought across a range of human resource practices including staff training, performance appraisal, flexible working practices, staff supervision, and conditions of employment. Managers indicated a supportive approach to the issue of staff training. They said that financial provision

should be made in the budget for training. While the fieldwork interviews revealed a rather *ad-hoc*, unplanned approach to training, nevertheless, managers demonstrated a willingness to accommodate individual requests for training where possible.

With respect to performance appraisal there was reported support for the concept of appraisal and, managers said that they tended to practice this fairly widely, with the focus on communication rather than the management of performance. Managers said that they were supportive of flexible work practices and provided plenty of individual examples to support this view. According to the interviewees, the provision of staff supervision was on the increase with most managers aspiring to have it available throughout the whole organisation. With regard to the conditions of employment, the data revealed managers often struggled to meet even the minimum standards required by legislation.

It is interesting to reflect on these findings. At the informal end of the human resource spectrum, managers reported that they provided a supportive environment for staff through training, supervision and flexible working arrangements. At the more formalised end, that is the more contractual part of employment that deals with pay and conditions of employment, there appeared to be a more *ad-hoc* approach. While the former approach is consistent with the humanitarian values of a voluntary organisation that the managers outlined, the latter approach, no doubt, is governed by the exigencies of funding and resources that were discussed in Chapter 1.

On the one hand, one could argue that organisations that are committed to social justice ideals, as suggested by the managers and discussed in Chapter 5, should have employment conditions in place that are as generous as possible for staff. On the other hand, it is possible that these values of social justice and humanitarianism give managers and, perhaps the funders, the rationale or justification for not providing more generous conditions of employment. If managers believe that staff are committed to these values, then perhaps, the pursuance of them is considered an appropriate recompense or alternative to generous conditions of employment. It is to this latter point that we now turn our attention. The next chapter will explore managers' views on the issue of

performance and motivation in voluntary organisations.

Chapter 8

Performance and Motivation

8.0 Introduction

In the previous chapter we looked at the relationship between managers' views of the human resource practices in their organisations and their stated management values. We found that managers reported a supportive, flexible approach to many aspects of human resource practices, which were considered congruent with their values. With respect to other areas of the employment relationship, however, such as pay and leave, reported conditions were not so generous. It may be case as the last chapter suggested, that the value-driven nature of the work of voluntary organisation might be conceived as a recompense or substitute for generous conditions of employment.

The research question currently being addressed in this thesis refers to how values translate into the stated or preferred practice of management in voluntary organisations. The management practices that were examined so far have been management style in Chapter 5, and human resource strategies in Chapter 6. This chapter will focus on how the managers in this study say they deal with issues of performance and motivation, which are arguably, the most important aspects of management. Attention will then be given to looking at the role that managers' values play in performance and motivation in voluntary organisations.

The issue of performance will be explored first. In relation to performance the quantitative and qualitative data will be considered from three different angles. Firstly managers' perceptions of how the performance of their organisation is measured will be

discussed. Secondly, managers' views on how they account for their own performance will be looked at, and thirdly, what managers say about how they manage the performance of their staff will be examined.

8.1 Organisational performance

Organisational performance refers to how effective organisations are in achieving their goals (Rojas 2000). As was noted in Chapter 3, measurement of goal attainment in the non-profit sector is notoriously difficult due, in part, to the existence of multiple stakeholders and the nature of the goals themselves. For example, if an organisation's goal is to provide a confidential telephone counselling service, how is the performance of that organisation measured? No one model exists that can provide a total measure of its performance. Numerical counts such as the number of calls logged per annum, the average cost per call, the number of calls dealt with per counsellor provide some partial information that can assist in measuring performance but none of them provide a complete evaluation of the performance of the organisation. Despite the acknowledged difficulty, there is consensus in the literature that non-profit organisations will have to become more accountable for their performance, a view echoed in Ireland in a government White Paper (Department of Social, Community and Family Affairs, 2000).

8.1.1 Measurement of performance

In the interviews managers were asked how they knew or measured if their organisation was achieving its goals. Despite the acknowledged difficulties, as noted above respondents referred to a number of different methods they used to measure agency performance that reflected different levels of complexity. Performance in voluntary organisations can be measured in three ways. Firstly, numerical indicators measure outputs such as the number of counselling sessions per year. Secondly, efficiency measures the relationship between inputs and outputs such as the cost of providing one

counselling session. Thirdly, effectiveness attempts to measure the extent to which objectives have been achieved.

The literature is consistently critical of the use of simple numerical counts as a means of assessing performance as this form of measure ignores the quality of the service (Kettner and Martin 1993). For example, Flynn *et al.* (1995) describe these activity measures as ‘crude, unreliable, spurious and meaningless’ (1995:535). While some respondents said that they used numerical indicators to monitor the take-up and usage of their services, they recognised the limitations in this form of evaluation as the following manager suggested:

‘It is really hard to monitor. We do statistical analysis on our calls. We had X amount more calls than we had this time last year. All that is showing is that people are hearing more about us, that the publicity is working’ (VO 9).

As noted above, measuring efficiency is one of three methods used to evaluate performance. The quantitative data indicated that the majority of managers believed that their organisations were very efficient (69%) as seen in Table 36 below.

This data probably tells us more about managers’ perceptions than about actual levels of efficiency in their organisations, as managers say that their organisations are efficient but they did not refer to any measures in use to measure this efficiency. This may again be related to the ‘myth of goodness’ and lack of accountability that Donnelly-Cox and Jaffro (1999) argue pervades the sector.

Table 36: How efficient your organisation is

	Frequency (N)	Per cent
Very efficient	143	69.4
Average efficiency	44	21.4
Inefficient	19	9.3
Total	206	100.0

The following manager's comment shows that the respondent was aware of the need to be efficient. Nevertheless, she did not indicate that her organisation had any strategies in place to monitor it.

'The money that is paid to you is to provide services and you can't dilute it by inefficiencies and you have carry something it has to come off the bottom line' (VO 4).

As also discussed above, a further method used to measure agency performance is to examine the effectiveness of an organisation. Effectiveness refers to the degree to which an organisation achieves its objectives. Effectiveness is associated with the more difficult measurement of outcomes such as change in behaviour, increased self-esteem, or improved performance in school. Many managers acknowledged the difficulty of this task.

One manager felt that effectiveness was determined by the mere fact of an organisation's existence. As she said: 'If they're not effective, they go' (VO 11), a view reflected in the literature by Kanter and Summers (1987). To the extent that respondents attempted to measure effectiveness, managers reported that client feedback was the main strategy used. Such feedback was said to be conducted at both informal and formal levels. One respondent said she used of telephone surveys to see if there was any difference in public perception following a publicity campaign by the organisation to heighten public awareness about their service.

Most managers, however, said that they relied on informal, *ad-hoc* client feedback for information about the service being delivered. Others said that they merely relied on their experience or instincts to tell them how well the service was being run. The following manager of a well-established residential service gave the following explanation of how performance was measured in his organisation:

‘We don’t have indicators and things like that. I would have indications from the people in the centres and other people. We would get negative feedback if there were any problems’ (VO 2).

So, while earlier data (Table 30) showed that the majority of managers (61%) said that they sought feedback on the services provided, the qualitative data shows that the feedback they said they got was generally gained in an *ad-hoc* and informal fashion. This begs the question of how reliable the information is that the managers receive, and therefore, whether its value for planning or evaluation purposes is of use.

Rather than try to measure the macro objectives for the organisation as a whole, a common response was to establish aims and objectives for each programme that the organisation delivered and then carry out separate evaluations of these programmes. While this strategy represented a reasonable attempt to measure performance, one of the managers drew attention to the danger that an organisation could get side tracked into programmes that may or may not contribute to the overall mission of the organisation. This concern was articulated by one of the managers:

‘Our aims are so disparate, you wonder are you actually achieving our goal. Part of the strategic plan is looking at that’ (VO 15).

To summarise the findings on organisational performance, the indications from the data for this current research were that the overall level of performance monitoring in the voluntary sector was stated to be low. Most managers gave examples of how they

attempted to address it in some form or another but the strategies seemed to be *ad-hoc* with little evidence of a thorough or systematic approach to the problem. The question that needs to be asked is why this stated level of performance management in voluntary organisations is low?

8.2 Difficulties and obstacles

When asked how they knew or measured to what extent their organisation was achieving its goals, almost all the managers referred to the difficulties of measuring and assessing performance in a voluntary organisation. One of the frequently stated difficulties was the generality and openness of the aims of the organisation, for example, to reduce homelessness or drug-abuse in Dublin, or to heighten public awareness of depression, as the quote from the following manager illustrates:

‘Our aims are so highbrow, peace and social justice. How can you say you have achieved peace?’ (VO 15)

In interview managers identified a further difficulty with assessing performance. This was the multiplicity of factors outside their control that impacted on the work of the organisation. While many agencies are set up to tackle social problems such as drug abuse, homelessness and poverty, no one agency or intervention on its own can resolve these problems due to their complex nature. For example, if drug-abuse in a city increases does that mean that an organisation whose objective is to reduce drug abuse is ineffective? This cannot be said to be definitely the case as there may be extraneous factors that impact on the level of drug-abuse that are outside the control of the voluntary agency, such as the success of the police in prosecuting dealers, or the availability and price of the drugs on the street. One manager gave the following example of the pressure he felt that his agency was under:

‘If you look at the macro - we have a mission to prevent, alleviate and eliminate...On the eliminate ... we have been absolutely unsuccessful in terms of making changes in that area either by our own provision or having

the state provide-because the scale has risen drastically in the last five years, changes in government policy, lack of infrastructural capacity - it is appalling. In terms of the external environment the situation has deteriorated' (VO 8).

One manager indicated that while the measurement of goals and objectives is coming into the sector, and with it a greater degree of professionalism, it is the shortage of resources that does not allow managers the luxury of standing back and evaluating to the extent that they would like. It was noted in Chapter 3 that the development of measures is resource intensive and time-consuming, presenting two significant obstacles to evaluating performance Halls and Rimmer (1994, Alie and Sieta 1997). The quantitative data from this current research indicated that 42 per cent of respondents felt that their organisations were poorly resourced.

While lack of resources, and the generality of the aims are two possible explanations for the low levels of performance management that managers reported, another reason may be the training and skills level of the managers. In the fieldwork interviews, respondents were asked about their qualifications and training. The responses showed that respondents came from a variety of backgrounds, from the army to accountancy, from banking to the priesthood. Three out of the 20 people interviewed had a background in accountancy. Only one manager interviewed had substantial experience in other voluntary organisations. Four people said they had qualifications in child-care. One manager had completed a management training course, undertaken 'years before at the Open University'. Only one person said she had pursued training specific for the voluntary sector but she said that she found it of limited benefit due to the wide variation in the types of organisations that encompasses the non-profit sector.

The breakdown of the skills and qualifications that respondents reported is in Table 38 below.

Table 38: Respondents' skills and qualifications

Frequency (N)	Skills/qualifications
4	Child care qualifications
3	Primary, Bachelor of Arts (BA) degree
3	Accountancy
2	Social work (1 respondent also had completed an Open University management course)
1	Priesthood
1	Diploma in Social Care
1	Army
1	Administrator, Certificate in Management in the Voluntary & Community Sector
1	Personnel
1	Catering
2	None

It is worthy of note that a Diploma in Social Work, as a post-graduate qualification, represented the highest level of educational achievement. Two of the respondents said that they had no prior skills or qualifications to equip them for the job they were currently undertaking. None of the respondents said that they had formal management training, although several said that they had taken short courses. As the data showed that the majority of managers in this survey for this thesis employed between one and five full time staff, the managers of these small organisations may not have had the resources to access training.

A typical response when respondents were asked about what qualifications or training they had for the job was, 'to be honest, absolutely none' (VO 1). Some managers said that they had endeavoured to upgrade their skills with short management training courses, while others indicated that there is very limited training that is relevant and useful for the sector. The following respondent who was the chief executive of a large, international

organisation suggested that there was a lack of management training for people running voluntary organisations:

‘It’s a sector that doesn’t get much investment in management and personal development and you get people starting in small organisations like I did, and running them when they become big and don’t have the management competencies because there hasn’t been the investment that there would be in another sector (VO 2).

One manager identified the need for management training but did not feel the appropriate training was available in Ireland. Another manager said she needed training in supervision skills, as she was required to offer professional supervision to her staff but she did not feel equipped to do it. Two managers referred to the need for training in people management skills and training in Information Technology was mentioned also. Table 43 gives a breakdown of the skills and qualifications that managers said that they had. It is worthy of note that a Diploma in Social Work, as a postgraduate qualification, represented the highest level of educational achievement. Two of the respondents said that they had no prior skills or qualifications to equip them for the job they were currently undertaking. None of the respondents had formal management training, although several had undertaken short courses. As the data showed that the majority of organisations in the survey for this thesis employed between one and five full time staff, the managers of these small organisations may not have had the resources to access training.

Overall, the data shows that managers came to the sector from a variety of backgrounds and learnt the task of managing a voluntary organisation on the job. One manager summed the situation up as follows:

‘...in the voluntary sector people learn on their feet, like children, they learn as they go and you make your mistakes and you dust yourself down and you hope the mistakes aren’t too big or disastrous’ (VO 11).

The lack of job specific training that managers reported may indeed be a contributing factor to the lack of performance management. In its White Paper, ‘Supporting Voluntary Activity’ (Department of Social Community and Family Affairs 2000) the

government acknowledged the need for training in the sector and made an additional 2 million of funding available.

A further, just as pertinent, reason for the apparent lack of performance management in the voluntary organisations in this study may lie with the ‘myth of goodness’ (Donnelly-Cox and Jaffro 1999) and the consequent historical lack of accountability associated with the sector (Donnelly-Cox and Jaffro 1999, O Ferrall 2000). This looks set to change in the future as the state moves more toward service agreements with voluntary providers of services (O’ Ferrall 2000, Department of Social, Community and Family Affairs 2000). In this new contractual culture the statutory agencies may be forced to assess competing claims for funding which could pave the way for a new emphasis on value for money or the quality of service the state is purchasing. This new emphasis is flagged in the government’s White Paper, *Supporting Voluntary Activity* (Department of Social, Community and Family Affairs 2000).

‘Funded organisations and groups will be expected to adhere to standards of good practice...Monitoring and evaluation should be carried out regularly in order to ensure effectiveness and value-for-money. Reports should be made available to the funders on the extent to which the programme or project is achieving its objectives and the difficulties, if any, experienced’ (2000: 111)

To conclude this section, respondents reported *ad-hoc* and piecemeal approach to managing the performance of their organisations. Several reasons were postulated to explain this. The shortage of resources and the generality of the aims were the two main reasons that respondents gave to account for the low levels of performance management. Additional reasons posited by the author were the historical lack of accountability in the voluntary sector in Ireland, and the dearth of management training available for managers of voluntary organisations. The role of values will be considered later in this chapter.

8.3 Managers' performance

In the fieldwork interviews, managers were asked whom they were accountable to for their performance and the form that this accountability took. All the managers said that they were primarily accountable for their performance to their management committees. The majority said that they felt genuinely accountable for their performance to their management committee in a very positive sort of way.

'I do feel fully responsible to the Board and I think they take that responsibility seriously' (VO 10).

At the same time managers acknowledged that the degree of accountability depended to some extent on the skills and experience of board members. Several managers explained that many members of management committees had been or continue to be either service users or volunteers with the organisation and it had been through this avenue that they became members of the board. Managers perceived both advantages and disadvantages in this.

On the positive side, managers indicated that the members of the board who were, or continued to be service users or volunteers had a very realistic understanding of the workings of the agency and were committed to the goals of the organisation. Managers felt that this enhanced the accountability for their performance, as the board member was familiar with the work of the agency. On the other hand, these board members may have had no previous managerial experience and, therefore, some managers expressed the view that they were ill equipped to deal with the demands of managing a complex organisation. The following quote is an example of this view:

'I'm not quite sure that volunteers who come on board to manage the organisation are able to manage the staff' (VO 15).

All of the managers said that accounting for their performance took the form of attendance at a monthly management committee where a verbal and, or, a written report

was presented. Most managers indicated that they preferred genuine accountability, as expressed by the following manager:

‘They ask questions. The last meeting was a tough one but I like it that way. They will challenge me and I like that. If I’m asked to explain something in greater detail that’s good. I don’t like an easy ride through’ (VO 1).

Nevertheless, in relation to performance there was an acknowledgement that there was an element of good faith or trust involved.

‘There is no checking. They rely on what I tell them’ (VO 18)

This trusting element may relate back to the ‘myth of goodness’ in the sector that Donnelly-Cox and Jaffro (1999: 11) identified. As discussed in Chapter 2, the Catholic Church had considerable influence over the development over voluntary organizations. Donnelly-Cox and Jaffro argue that this religious ethos accounts for the myth of trustworthiness that still pervades the sector today and is reflected by a lack of regulation and little formality. As already noted the Government’s White Paper (Department of Social Community and Family Affairs 2000) heralded a change in this lack of accountability, as have the Health Boards through their use of service agreements (Department of Health 1997, Donoghue 2002).

Only three managers reported having performance appraisals. Accounting for performance, therefore, consisted of a combination of trust and reporting to the management committee. Interestingly, none of the respondents said that they were accountable for their performance to any other stakeholders other than to their management committee. Accounting for their performance to their funders, (the survey data showed that statutory funding was the primary source of revenue for the majority of organisations in this study) or to the consumers of their services was not mentioned.

In summary, managers reported an *ad-hoc*, piecemeal approach to organisational performance management. In relation to their own performance, managers said that they were accountable to their management committees, although varying degrees of management expertise on the part of the members of the management committees was

reported. Overall, the conclusion to be drawn from the data presented above is that performance management, both at an agency level, and at the level of the individuals managing those agencies, was said to be afforded low priority by the managers in this research.

8.4 Staff Performance

So far in this chapter performance has been discussed in relation to managers' perceptions of how the performance of the organisation is measured, and in relation to what managers say about how their own performance is monitored. The final area that will be considered with regard to performance, is what managers said in relation to how they managed the performance of staff. With regard to the performance of staff, managers were asked in the survey if staff had performance targets. The responses are summarised in Table 37 below.

Table 37: Staff have performance targets

	Frequency (N)	Per cent
Yes	54	26.2
No	62	30.1
To a limited extent	90	43.7
Total	206	100.0

The data show that the majority of managers (74%) reported that their staff either did not have performance targets or had them to a limited extent.

It is interesting to note that whilst a low incidence of performance targets was reported, 82 per cent of managers indicated that staff should be involved in setting their own performance objectives. There seems to be a difference between what managers think should happen and what they said actually happens in practice. An explanation for this could be that managers do not have the expertise to set performance targets, but if they

did set them, then staff would be involved in agreeing on them. This is consistent with the emphasis on consultation referred to in Chapter 6. We already noted in the previous section the lack of management training amongst the respondents. This further raises the question of the training and support available to managers in the voluntary sector. Are they getting access to the training they need to fulfil the requirements of their jobs?

Managers were also asked in interview how they knew or measured if staff were performing well. All but one of the managers reported that they did not use any formal measurement techniques. Most of them said that they relied on their own sense of how well the work was being done or their own observation. As one manager commented,

‘We would just have a general feel for it’ (VO 10).

Several managers said that they would get feedback from service-users if staff were not performing well. One manager said that he kept reports on such areas as industrial relations issues and that data were collected in relation to many aspects of the services that would give an indication of how well staff were performing. He felt that the quality of their teamwork was an important measure of how well things were going. He also used staff supervision time as an opportunity to identify if staff were having problems. Many managers said that they relied on the close contact they had with staff to pick up on, and deal with problems, as the quote from the following manager illustrates:

‘The close contact I have with my staff. It may not be as close as everyone would like but certainly I would know within the framework of a month, I would be on top of everything in one way or another’ (VO 16).

This approach has resonance with the people-centred management style that managers said that they had as discussed in Chapter 6. It is also interesting to note that none of the respondents mentioned the use of performance appraisal to monitor performance, although it was noted in Chapter 7 that the majority of managers said in interview that they conducted appraisals. In Chapter 7 it was also noted that the respondents viewed the primary objective of appraisals as sitting down with staff on a one-to-one basis to reflect on problems, reviewing the previous year, and identifying staff development and training

needs. None of the respondents identified performance management as the purpose of performance appraisals.

8.4.1 Rewards

Besides monitoring the performance of staff, managers were also asked in the survey how they rewarded staff for good performance. As extra financial remuneration is rarely an option for managers in voluntary organisations, it is interesting to note the other ways that managers said that they chose to reward staff.

Managers said that praise was the most commonly used form of reward. More than half the managers said that staff were always praised for good performance. Ninety nine per cent of managers said that staff were sometimes or always praised, as shown in Table 38 below.

Table 38: Staff are praised by supervisor

	Frequency	Per cent
Always	106	51.5
Sometimes	98	47.6
Never	3	1.0
Total	206	100.0

Table 39 below shows that, according to the managers, acknowledgement from colleagues, and praise from consumers were also used as common rewards for good performance.

Table 39: Staff are praised by other staff

	Frequency	Per cent
Always	53	25.7
Sometimes	143	69.4
Never	6	2.9
Not applicable	4	1.9
Total	206	100.0

Table 40 below summarises the frequencies with which managers said other rewards were given. Managers said that study leave was not used widely to reward good performance, although the data shows that a minority (13%) of managers said that they used a lot. Less than a third of managers said that they consistently used training opportunities as a reward. Nevertheless, training was said to be used on occasion, as two-thirds of managers reported that they sometimes rewarded staff in this way. Managers said that awarding staff with higher positions was used even less frequently as a reward. Only seven per cent of managers said that they always rewarded staff in this way.

This finding needs to be interpreted with caution, however, as the size of organisations could be a factor in opportunities for promotions becoming available. The data shows that the majority of organisations in this survey employed between one and five staff, leaving very few opportunities for promotion. As over half (57%) of the managers said that they used promotion sometimes as a reward, it is likely that if the opportunities existed to promote staff, managers took advantage of it. It is more likely, however, that such organisations were limited, despite managers saying that they used it.

Table 40: Staff rewards for good performance

Rewards	Always		Never	
	Frequency (N)	Per cent	Frequency (N)	Per cent
Study leave	27	13.1	72	35
Training opportunities	58	28.2	16	7.8
Higher position	14	6.8	71	35.9
Extra remuneration	11	5.3	115	55.8

The majority (56%) of managers reported that staff were never given extra remuneration as a reward. This finding is not surprising as we noted earlier that 42 per cent of managers said that their organisation was under resourced. It is interesting to note, therefore, that 38 per cent of managers reported that staff sometimes were rewarded with extra remuneration.

The picture that emerges from this data is that no formal or organised reward system in relation to performance is in place. Indeed, 55 per cent of managers in the survey said that sometimes staff do not get any reward whatsoever. According to managers, rewards for performance are uncertain and nebulous if they exist at all. Not only did managers report the absence of any formalised system of reward, they said that there was no formal method for ascertaining if staff were performing well.

8.5 Staff motivation

Motivation has been defined as ‘the set of processes that stimulate, guide and sustain human behaviour toward accomplishing some goal’ (Morley *et al.* 1998). Motivation was considered from two perspectives, firstly what the managers said that the organisation does to motivate its staff, and secondly, what managers say about what motivates their staff.

Table 41: How hardworking are staff in your organisation?

	Frequency (N)	Per cent
Very hardworking	174	84.5
Hardworking	21	10.2
Not hardworking	11	5.3
Total	206	100.0

Despite the absence of any consistent reward or formal monitoring system, the majority of managers perceived that their staff worked hard (95%), and were motivated (92%), (refer to Tables 41 and 42).

Table 42: How motivated are the staff in your organisation?

	Frequency (N)	Per cent
Very motivated	156	75.7
Motivated	34	16.5
Very unmotivated	16	7.8
Total	206	100.0

Given the lack of formal management controls and rewards that respondents reported, and managers’ perception that their staff were motivated and hard working, managers were asked in interview what the organisation did to motivate its staff. Providing

encouragement and praise were the two most common cited strategies. One manager remarked that the organisation did not have the resources to show staff how much they were valued. He felt that this was reflected in the fact that the service that they provided is not valued highly by society. Nevertheless, he said that he tried to show staff that they were valued using other means, such as clear communication, involving them as much as possible in decisions regarding the service, and acknowledging their contribution. This holds resonance with the people-centred style of management that managers in this research said that they practised, as was outlined in Chapter 6.

Several managers mentioned the flexible working conditions, the positive atmosphere and the supportive environment as ways that the organisation motivated its staff as articulated by the following manager:

‘I suppose we have a happy atmosphere, to have a conducive atmosphere to get the best out of them, to get the best out of their own qualities that they would have and support that with staff structures’ (VO 15).

Many managers stressed the importance of the workplace as an enjoyable and fun place to be. They said that they endeavoured to provide a flexible approach to work, on expectation that there was a lot of give and take.

8.5.1 Managers views on the motivation of staff

The indications from the data so far are that the strategies that managers said they had for managing performance and motivation were informal and *ad-hoc*. The evidence from the data suggested that there was little investment in managing the performance or in motivating staff. The question that arises is why is this the case. It was interesting, therefore, to ask managers what they thought motivated their staff.

As noted in Chapter 6 the scope of this research is limited to the perspective of the managers. This study does not intend to draw conclusions about the motivation of staff who work in the voluntary sector on the basis of the views of the managers alone. This is a complex area, and worthy of a separate study in its own right. In exploring how

managers deal with issues of performance and motivation, it is of interest, however, to know what managers say about the motivation of their staff, as this may help to understand how they said they manage these areas. As was noted in Chapter 3, McGregor's (1969) classification of management styles highlighted the fact that the assumptions managers make about staff are reflected in their style of management.

As already noted, in the survey over three-quarters of managers said that their staff was highly motivated. When asked for their views in interview on what motivated their staff the majority of managers believed that their staff were committed to serving the needs of the client group, even if they were not directly involved in service delivery. Managers said that they thought that the primary motivator was to contribute something, or to help people and that their staff cared about the people who used the service. One manager whose service was staffed completely by volunteers commented:

‘There are those who want to give something back to society’ (VO 9).

A common theme in managers' responses was staff's desire to bring about some positive change. One manager summed it up as ‘a social conscience motivator’ (VO 5). Several managers commented that some of their staff had had either direct or indirect exposure or experience of some of the problems their organisations were set up to deal with. They said that frequently this provided the motivation to become involved. With regard to the role of money as a motivator, one manager believed that her staff worked for the money, but that the question of motivation went beyond monetary gain. She said that her staff were all prepared to go that extra mile to bring about change even though they knew there was no extra remuneration involved. She attributed this to their values. According to her, they believed in what they were doing, as the following comment indicates:

‘I'd say there's the money to come to work and then I'd say there's the idea that we can make a change. We can make a change to families' lives, to children's lives, to women's lives’ (VO 5).

Several other managers commented that their staff worked hard even though they knew there would be no financial benefit for doing so. In fact, one manager of a large organisation mentioned the following incentives that motivated his staff:

‘If a client says thank-you, the relief of a parent, when they hear parents and carers talking about the organisation’ (VO 10).

Themes such as staffs’ commitment to their client group, of fulfilling a need to do something worthwhile, of really believing in the work they were doing reoccurred frequently. Managers said that these motivators went beyond money and were about values. In fact, one manager referred to the value of spirituality in describing staffs’ need to contribute something to society. One manager suggested that there were negative consequences of this commitment and motivation. He described the effects as follows:

‘I suppose because they are working in a caring industry, they actually spread themselves too thin. They try to do too much, they try to see too many clients, they won’t let anyone wait’ (VO 10).

The findings above indicate that managers believed that their staff were motivated in their jobs by internal drivers rather than external drivers and that values of social justice and caring were important to staff. Many managers expressed the opinion that staff were motivated by being able to contribute to a mission that they believed in, and one that supported their value system. According to managers, the social justice value, the opportunity to ‘do good’, to contribute something to society, and the chance to make a difference were the main motivating factors for staff.

8.6 Conclusion

This chapter has considered the findings in relation to the management practices of performance and motivation. Managers’ views on three aspects of performance were examined, namely, organisational performance, staff performance, and the performance of the managers themselves. With regard to organisational performance, managers

recounted a variety of measures that they said they used to determine how well the organisation was performing, or how effective it was in achieving its aims and objectives. These strategies ranged from gut instinct, to formal and informal client feedback, from phone surveys to counting 'bums on seats'. The data also indicated that managers said that they made attempts to gather quantitative data to measure outputs, such as the number of clients served, the number of groups run or the number of phone-calls received. There was no indication from the managers, however, that outputs were considered in relation to inputs, in other words to evaluate how efficiently the organisation was run. Nor was there evidence of much evaluation regarding effectiveness, or the degree to which organisations achieve their objectives.

With regard to the performance of staff, managers described them as hardworking, although they said that few objective measures existed against which to assess their performance. With regard to rewards for good performance, there appeared to be no formalised system, the main reward that managers said was given was verbal praise.

In relation to their own performance, managers said they were accountable to their management committee. Managers described a relationship of trust that existed in relation to their performance rather than being based upon agreed objectives.

With regard to motivation, there was no evidence from the responses that managers gave that there was any coherent or thought-out approach to managing motivation. Managers said that their staff were mainly motivated by social justice values and the desire to contribute something worthwhile to society.

There are a number of possible explanations for the perceived lack of performance management in the voluntary organisations in this study, some of which have already been mentioned. The ethos of trust and the traditional association with religious bodies (Donnelly-Cox and Jaffro 1999) may have contributed to managers feeling that they did not need to account for their performance. Secondly, the data showed that managers lack sector-specific management training and qualifications, which may mean that there is a

dearth of skills in this performance management area. Thirdly, the sector lacks the resources to develop the necessary measures to evaluate performance.

The final explanation, and the one that is most pertinent in relation to the research objective of this thesis, relates to the significance of values and the style of management discussed in Chapter 6. Managers perceive that the values of the staff are the source of their motivation and that therefore, the motivation comes from within the individual. According to McGregor (1969), the assumptions that managers make about their staff influence the style of management that they adopt. It is posited, therefore, that if managers believe that staff are motivated by values, then, this means that the style of management that they adopt in relation to motivation and performance will be *laissez – faire*. It could be argued that managers rely on the values of their staff to provide the motivation and the incentive to perform. In other words, values are a substitute for a formal reward and performance management system. Managers said that the primary reward given by is verbal praise but only about half of the managers (48%) said that they praised staff sometimes. This could be a cause for concern.

Relying on values to continually motivate staff means that staff must constantly see, or have evidence of, the benefits of the work they do. As noted earlier, this may not always occur, as the outcomes of a voluntary organisation may be intangible, immeasurable, or realised only in the long-term. Without the evidence that performance monitoring can provide, how do staff know that the job they are doing is worthwhile? Furthermore, due to the demanding and stressful nature of the work of some agencies, such as child protection, praising a staff member sometimes may not be an adequate or sufficient response to ensure ongoing motivation and ultimately to prevent burnout.

While the lack of resources, the training and skill level of the managers, and the ‘myth of goodness’ may all help to explain the apparent lack of performance monitoring that this study has found, one further explanation may lie with the priorities of the managers. We know from this study that managers said that they inclined toward a management style that was process rather than task oriented, and they said that they favoured a people-

centred approach to management. We know from the literature that our actions, decisions and priorities are determined by an individual's values (Kluckhohn 1951, England 1967, Rokeach 1973, Schwartz and Bilsky 1987, Hofstede 1980).

It is likely, therefore, that managers' values and their preferred style of management also account for the low priority given to performance monitoring in the voluntary organisations in this study. Performance management would be located at the task end of the management style continuum, which is the opposite end to where managers in this study said that their management style lay. The majority of managers say that their organisations are efficient, yet they did not report any strategies in place to measure this. The majority of managers also say that their staff are hard-working and motivated, yet they gave no indication that there are proper processes in place to monitor this. It would appear that the people-oriented style of management that managers described, gives priority to areas such as staff communication, but less emphasis on the monitoring and performance management aspects of management practices.

Thus, in relation to performance and values we find a parallel process at play with the myth of goodness and accountability. As the lack of accountability is attributed to the myth of goodness, so also it seems that the lack of adequate performance measures can be partially attributed to the role of values.

As was noted above, the management of performance is time-consuming, and resource-heavy. To enable it to happen, therefore, plans need to be developed that address these problems. Planning is the focus of the last of the management practices that will be explored in this thesis. Strategic planning and change management is the subject of the next chapter, Chapter 9.

Chapter 9

Strategic Planning and Change Management

9.0 Introduction

In Chapter 8 we saw that managers reported that there was an *ad-hoc* and informal approach to the motivation of staff and the management of performance. In this chapter, strategic planning and change management, which are the last of the management practices that will be discussed in this study, will be explored. Two questions will be posed in this chapter. Firstly, to what extent do managers report that strategic planning and change management occurs in their voluntary organisations? And secondly, if management style is value driven, what role do values play in strategic planning and change management strategies?

9.1 Managers' primary task

Robbins and Duncan (1988), defined vision as 'the shared, aspired future state for the organisation which identifies the organisation's values, sets priorities for goals and objectives and sets the guidelines or roadmap by which these goals and objectives will be pursued' (1988: 231). They assert that establishing a vision in an organisation is of fundamental importance in the strategic planning process.

In the interviews managers were asked what they considered was their primary task or main role in the organisation. Most managers perceived their primary role mainly as

establishing a vision for the organisation, as evidenced by the following respondent who said:

‘It is vision and it is about knowing where to take it and trying to communicate that’ VO 2).

Besides creating and achieving a vision, the managers in this study gave further explanations of their primary role. These included the setting of policy and direction of the organisation, motivating staff, promoting the ethos, being responsible for the quality of the service, strategic planning and helping the managers to manage. These priorities are akin to the perspective of Selznick (1957), who emphasised the top executive's job as defining the institutional mission and goals, maintaining institutional integrity, and obtaining co-operation from organisational members. As a respondent who was a Director of Services said:

‘My primary role is to influence what is going on. To encourage people to do what they are doing well, to give certain direction, to co-ordinate people, to steer it on. I realised fairly quickly that I don’t have to do everything. I don’t have to have my finger in every pie. I feel more secure knowing what is going on but knowing just for knowing, rather than doing it.’(VO1)

It is worthy of note that the managers interpreted their role primarily in relation to either, the organisation itself, or in relation to the staff of the organisation, rather than towards the service, or the clients of the services. Ensuring that the organisation was being run professionally was also cited as a high priority.

‘That there is an organisation running, that is running professionally enough and caringly enough to make a difference in people’s lives (VO 11).

A comment such as the one above indicates the centrality of values in the vision of the managers. Not only did that particular manager strive towards a professional organisation but it was equally important that the organisation was run in a caring manner also. It was noted in Chapter 6 that the word ‘caring’ was used by some respondents to

describe the style of management in the voluntary sector. There was also a sense of the manager holding everything together in a co-ordinating role. As another respondent said:

‘I always feel as if I’m keeping the organisation on an even keel in terms of all the things that need doing - resources, staffing, keeping people informed’ (VO 15).

In summary then, most managers perceived that their primary function was to provide vision and direction for their organisation, which many theorists (Bryman 1982, Bennis and Nanus 1985, Hickman 1990,) have suggested is the first stage in the strategic planning process. A vision reflects the organisation’s beliefs and values and, its priorities amongst objectives. The vision drives strategy, as it is the strategy that determines how the vision is realised (Hofer and Schendel, 1978). As Robbins and Duncan (1988) contended that a pre-requisite of strategic planning is to have a vision of, a mental picture of where the future of the organisation is headed, then the managers in this study have completed one aspect of strategic planning. Nevertheless, without the tools to realise the vision, that is, without strategic planning, the vision will not be realised.

9.2 Strategic planning

To ascertain the amount of strategic planning amongst the voluntary organisations in the sample, respondents were asked in the survey if their organisation had a strategic plan, and secondly, if monitoring of the strategic plan occurred. In the in-depth interviews respondents were then asked to describe the forward planning process in their organisation, they were asked about the review process, about who conducts the strategic planning process and the purpose of strategic plans.

To explore the nature of strategic planning in voluntary organisations, as reported by managers, the extent to which managers said that they engaged in strategic planning in voluntary organisations will first be discussed. Strategic planning is the setting of long term goals, and identifying resources, obstacles and strategies that, will either aid or hinder the implementation of these goals (Hill and Jones 2001). Just over 50 per cent of

the managers surveyed, reported that they engaged in strategic planning, while 41 per cent said that they engaged in strategic planning to a limited extent. Very few (7%) managers reported that they engaged in no strategic planning (see Table 43 below).

Table 43: A strategic plan exists

	Frequency	Per cent
Yes	107	51.9
To a limited extent	85	41.3
No	14	6.8
Total	206	100.0

The quantitative data in Table 43 gives the impression that there is a considerable amount of strategic planning being carried out in voluntary organisations. When one examines the qualitative data, however, a different picture emerges. One of the most notable aspects was the variation in the amount and degree of planning reported by managers in the fieldwork. It ranged from none, ‘there is no forward planning at all, it’s never been done in the past’ (VO 12), to planning being described as an integrated part of the agency’s systems.

Three approaches were distinguishable in the range of responses given by managers. The first approach represented a formal, planned approach to strategic planning. The number of managers who said that they engaged in this process was a minority. The second approach represented the ‘to a limited extent’ response in the survey. Most managers said that some degree of planning existed in their organisations, although, for many, planning held neither the formality, nor the long-term perspective of strategic planning.

Thus, while some planning was being done, it was not being done at a strategic level, and therefore, could not be described as strategic planning. Rather a more pragmatic, short-term approach was evident. Two managers reported that there was no planning

whatsoever in their organisations. This complete absence of planning represented the third approach. All three approaches will now be examined in some detail.

9.2.1 Formal strategic planning

In the first approach, six out of the 20 managers interviewed, reported that their agency engaged in formal strategic planning. The approach they described tended to be formal, planned and long-term. Many managers described the length of time the process took and the extensive consultation that took place throughout the agency.

‘We are engaged in strategic planning at the moment. It’s taking quite a deal of time and we are trying to do it involving groups of people. We are trying to see what we can achieve in three to five years time’ (VO 15).

It was not only managers from the large organisations who said that they engaged in strategic planning, some of the managers from the smaller organisations also reported quite developed forms of strategic planning. As can be seen from Table 44 below, most planning was reportedly done in organisations that were between 10 and 30 years old. This was the same category of organisations whose managers reported the least planning (N=10), but this category was also the most numerous. Half of the managers (N = 51) who indicated they had a strategic plan were in organisations that had existed between 10 and 30 years, which matched the representation in the sample total. Almost 70 per cent of managers said that their organisation did not have a strategic plan (N = 14), however, and these organisations were aged between 10 and 30 years. It would appear that a strategic plan may not be necessary for survival.

Table 44: A strategic plan exists * years in existence

A strategic plan exists	1990-present	1970-1990	Prior to 1970	Total
Yes	31	51	25	107
No	2	10	2	14
To a limited extent	23	42	20	85
Total	56	103	47	206

9.2.2 Limited planning

In relation to the second approach, which was limited planning, the field interviews helped to throw some light on the quantitative data, which indicated that 41 per cent of managers said that they engaged in strategic planning ‘to a limited extent’. It appears that many organisations approach planning in an unstructured and unplanned way. One manager, who commented that, ‘we’ve always done a bit of planning’ (VO 6), explained how the planning process in her organisation had been a bit *ad-hoc* until 1997. Then statutory funding was given to her organisation to employ a full-time person for nine months to conduct an ‘operational plan’.

The above manager said that she had been under considerable pressure from the funders to hire someone from one of the large accounting consultancy firms to conduct a strategic plan. This manager insisted on hiring a person in-house to conduct an ‘operational plan’ that would focus on where the organisation was going and what the organisation could achieve. The manager said she preferred an operational plan as she thought that the ‘lofty language’ of a strategic plan might render it less useful.

Even in the instances where formal, written plans did not exist, all the managers interviewed articulated ideas of where they would like the agency to go, or the goals they would like to achieve.

9.2.3 No planning

During the fieldwork interviews, it emerged that three managers said that their organisations had no planning processes in place at all. One manager of a medium sized, long established organisation explained that planning had never been done in the past in her organisation and because of that she felt that the management board would disapprove. Another organisation was a small, local organisation that provided a specific service to its local community. When the manager was asked about the strategic planning process in her organisation her reply was:

‘There’s nothing like that - only the financial reports for the Health Board’
(VO 14).

The above manager was deeply embedded in her locality and her interest was restricted to ensuring that the service was available for those who needed it, and that the service was delivered to a high standard. While she identified a need to expand the service, she gave no indication that there were any plans in place to achieve this. The third manager described the strategic planning process in her organisation as follows:

‘At the moment it is only a couple of notes. It is nothing. There is ambition and wish but nothing concrete (VO 18).

Cross-tabulation analysis of strategic planning with gender and age failed to come up with statistically significant results, which implies that these were not relevant factors in relation to managers developing a strategic plan.

9.3 Monitoring of the strategic plan

In the survey, respondents were asked about the degree of monitoring of the strategic plan. The purpose of this question was to ascertain how integrated the planning processes were into the overall processes of the organisation. The figures in Table 45 below are similar to the figures shown earlier in Table 44 that indicate the extent of strategic planning amongst those involved in the survey. These data in Table 45 show that those who are engaged in the strategic planning process also have a procedure in place for review, indicating that strategic planning is not just a paper exercise. The finding of 38 per cent who said that they engage in monitoring the strategic plan ‘to a limited extent’ is consistent with the earlier finding that 41 per cent engage in strategic planning ‘to a limited extent’.

Table 45: Monitoring of the strategic plan occurs

	Frequency	Per cent
Yes	106	51.5
To a limited extent	78	37.8
No	22	10.7
Total	206	100.0

9.4 The purpose of strategic planning

In relation to the purpose of strategic planning, there were different interpretations and approaches. Most managers, however, equated strategic planning with forward planning. Many normative texts on strategic management identify a number of steps in the strategic planning process (Wooton and Horne 1997, Hannagan 2002). These can be summarised as, analysing the internal structure and the external environment, defining the purpose and objectives, evaluating the alternatives, identifying the obstacles (Hannagan 2002). One manager interpreted strategic planning ‘as something to work towards in the future’

(VO 11). She said that her goal was to expand the services her organisation offered and to move into bigger premises. To achieve these goals she said that she was applying for government grants but she gave no indication that there was a strategic plan in place to guide the process.

When asked about the strategic planning process in her organisation, another respondent answered that a five-year service plan existed. This plan seemed to address mainly pragmatic aspects of development, as the manager said it contained plans for expanding hours, and introducing leaflets. It appears from the data that many managers had plans in relation to the organisation for the future but the planning lacked the strategic perspective that would include such aspects as environmental scanning and analysis of potential alternative strategies.

Another respondent supplied a different perspective. He said that a three-year development plan existed in his organisation. He suggested, however, that the Department of Health, which was his organisation's main funder, would probably view it as a ten year plan, as it contained quite ambitious ideas for expansion by 'providing the level, quality and quantity of service that we would claim we are capable of providing' (VO 10). Another manager said that a strategic plan existed in her organisation to cover the period 1999-2002. She said, however, that the staff were currently working on an operational plan, which would take a longer term view than the strategic plan. When asked about the difference between a strategic plan and an operational plan she said that 'an operational plan has more kind of aims' (VO 13).

The manager quoted above interpreted strategic planning as going back to basics and ensuring that the organisation was providing the service it was set up to provide.

'Forward planning means going back to your roots, find out what's needed, are we already supplying it, if we are supplying it, can we make it better, and if we are not supplying it, can we go about supplying it' (VO 10).

Several respondents interpreted strategic planning as an opportunity to evaluate the whole organisation, as the following quote illustrates:

‘All that is quite a lengthy process...that would have included root and branch evaluation of the whole organisation’ (VO 4).

As noted earlier, one manager reported that she had managed to get government funding to carry out ‘an operational plan’ for her organisation. For her, an operational plan was about achieving a consensus on achievable objectives for the agency. According to this manager the process and outcome were enormously successful in that most of the objectives outlined in the plan were achieved.

Most managers, however, viewed the process as an opportunity to review their services, evaluate what they were doing, and look to future developments, as the following manager described:

‘Internally there would be elements to review and evaluate what we are doing in terms of our current operation and maybe a look to future developments’ (VO 8).

9.5 The strategic planning process

Managers reported quite a lot of variation in the planning processes. The descriptions some managers gave of the process in their organisations indicated quite an investment in time and resources. For example, one manager said that her agency had a six-year plan that was reviewed every year. Others, on the other hand, were embarking on it as a new process.

Most managers said that they engaged in some degree of forward planning but in a fairly unstructured manner. For example, one manager of an organisation that was 100 per cent statutory funded, said that the annual process of applying for funding inhibited her ability to engage in long-term planning. The planning process that she described was very *ad-hoc*:

‘In the voluntary sector you can’t do that, you can’t say where you want to be in three years time...I would sit down with the volunteers and the management committee and...[clients]... if necessary and ask them what do

they think... and we would say, look we are doing this now, where would we like to move on to' (VO 12).

Another manager of a large organisation described the planning processes in his organisation as 'fairly chaotic'. He said that he was unable to embark on strategic planning because of a lack of time and resources. If he were to undertake it, he said, he would 'do it in a consultative way with the stakeholders, including the health board and the funders' (VO 2). That manager was only the second person to mention including the funders in the consultation process. The other respondent was VO 6 who is referred to below.

A very different, organised approach to planning was described by two respondents. One of them said that a strategic plan existed for her organisation that spanned a five-year period. At the time of interview, a group within the organisation was working on developing an operational plan for 2002-2005, which fitted into the strategic plan. Furthermore, she said that a service plan was written annually, which was required for funding purposes.

A manager referred to earlier, who had gained funding to develop an 'operational plan', gave a further example of this very organised approach to planning. Upon the expiry of the operational plan, the manager embarked on another process of review and planning that she described it as follows:

'We hired this consultant to do all the internal reviews with staff and board members...we had focus groups, individual meetings, a questionnaire. At the end of which we had half a day in an hotel with half the Board and half the full-time staff. By that time, we had all read a lot of different documents, all our stakeholders were consulted, funders, researchers ... we spent a day and a half getting very excited about the next five years' VO 6).

The above manager went on to say that the Taoiseach had launched the five-year plan. The quotes from the previous two managers give an indication of the thorough and lengthy process that some managers said that they engaged in. These were in a minority, however. The majority reported that they approached planning in an unstructured and ad-

hoc manner. Several managers even said that they relied on the service plans required by the funding bodies as the main plank of their planning processes.

9.5.1 Planning and consultation

In the interviews, managers reported that consultation with most of the major stakeholders was generally carried out as a matter of course as part of the planning process. This finding is supported by the quantitative data in Tables 17 and 18, already reported on in Chapter 5. These data show that managers reported that consultation with staff and consumers occurred very frequently. These findings highlight the fact that managers consider consultation to be an integral part of the culture of management in voluntary organisations.

It is interesting to note that the extensive consultation that managers said took place as part of the strategic planning process seemed to occur almost automatically. It was as if managers considered that consultation was an integral part of strategic planning, whereas the literature identifies this process as one out of a range of options or strategies available (Hannagan 2002). Seeking out the views of all the stakeholders is indicative of the value that these leaders place on people and is consistent with their reported management style.

Almost all the managers referred to the time-consuming aspect of the consultation process. One manager, who was embarking on a strategic planning process for the first time, anticipated that it could take three to five years to complete as each programme run by the organisation was being reviewed as part of the process. He described the process:

‘We are engaged in strategic planning at the moment. It’s taking quite a deal of time and we are trying to do it involving groups of people. We are trying to see what we can achieve in three to five years. It may take that long to get it done’ (VO 15).

It was clear from the fieldwork interviews, that in the instances where planning was carried out, whether at a strategic level or otherwise, that fairly wide consultation was the norm. This finding is consistent with the findings in Chapter 6 that indicated that the

style of management most typical of managers in this study appeared to be inclusive and driven by consensus. A consultative approach to planning fits with this management style and is indicative of the value that managers said that they placed on people and communication. In the next section we will consider the reasons that managers gave for the low level of strategic planning in their organisation.

9.6 Obstacles to planning

While strategic planning may be considered desirable to assist organisations in preparing for the future, nevertheless, some managers perceived significant obstacles that made planning very difficult. It is worthy of note that, regardless of whether managers reported that their organisation engaged in strategic planning, they all identified the same problems with planning. Even though some managers reported that their organisations managed to produce strategic plans, the problems they cited in relation to the funding cycle and shortage of resources were similar to the problems that managers of organisations that engaged in little or no planning identified. The two main obstacles identified by managers in interview were the annualised basis of statutory funding and the lack of resources.

While all the respondents in this survey received some statutory funding, as can be seen from Table 8 in Chapter 4, the majority (69%) relied on the state as their main source of revenue. This finding may not be surprising in itself as many of the organisations are service providers, providing services that are 'similar or ancillary to' those provided by the state as the wording of section 65, 1953 Health Act puts it.

In relation to the independence of voluntary organisations, it is interesting to note, however, that only 15 per cent of managers indicated that their main source of funding came from fundraising. Many managers said that the annual government funding cycle restricted their ability to plan for the long term, as funding was only guaranteed for a

year. This has resulted in a degree of pragmatism in that managers said that organisational planning was sometimes integrated with statutory funding.

‘Every year you have to do service plans for funding purposes and it makes you clarify what you want to do’ (VO 13).

Several managers who said that they engaged in planning referred to the fact that the funding process restricted their ability to plan for the future of their organisations. Sixty-seven per cent of the survey respondents believed that the change in funding was too slow (see Table 47 below).. It is interesting to note that Donoghue (2002), cited earlier, found that the majority of organisations in her study had had their funding increased over time although this does not mean that these organisations were now well resourced or even adequately resourced.

Table 47: Rate of change in funding

	Frequency (N)	Per cent
Too slow	139	67.5
About right	51	24.8
Too fast	1	.5
No change	15	7.3
Total	206	100.0

As described in Chapter 2, most statutory funding to voluntary organisations has been granted on a year by year basis under Section 10 of the Childcare Act 1991 or Section 65 of the Health Act 1953. Organisations reapply annually for a grant to run their services.

Some agencies in the current study were funded on a per capita basis, meaning they were paid according to the number of clients availing of a service. No additional funding was included for the ongoing operational costs of running the organisation.

Respondents whose organisations were funded in this manner indicated a preference for core funding, as the grant then includes overhead costs such as salaries and administration. In its White Paper (2000) the Government acknowledged the difficulties of the current system for funding voluntary organisations and committed itself to multi-annual funding (three yearly) and promised a package of measures costing £7m. As the White Paper states: “Multi-annual funding allows for a more rational approach to planning service delivery and to processing of funding applications” (2000:24).

Managers of voluntary organisations may need to be creative, therefore, to deal with resource dependency. For example, the following manager suggested that long term planning occurred despite the constraints of statutory funding:

‘Because the funding isn't guaranteed we work from year to year. But there are always projects that are more long-term.... The day-to-day running of...[V] 4}... that goes from year to year. We do the budget every year and there may be things in it that we may change or add to but it is for the year. But because we want to grow as an organisation there is always long-term planning’ (VO 4).

Another manager said that although the annualised basis of the agency’s funding did not allow for formal strategic plans, he pointed out that informal long-term plans existed and the organisation was working on their implementation. Some managers said that they relied on the proceeds from fundraising as a way of achieving the objectives of the strategic plan, particularly in relation to the acquisition of premises.

One manager had a view that was contrary to the views expressed above. He thought that well-developed strategic plans could have a constraining effect. He said that the external environment was changing rapidly and that this had an impact on the work of the organisation. A strategic plan could not foresee all the possibilities, challenges and

changes ahead, he suggested. To be responsive to public need, and the changing face of that need, an organisation needed to be flexible and adaptable he thought and adhering to a long-term plan may not allow for that to happen he suggested:

‘Opportunities come that may or may not fit in with the strategic plan. It is also a very fast changing environment’ (VO 8).

Another manager said that he coped with this challenge of constant change by having an annual brainstorm that was conducted within the parameters of the strategic plan but it also provided an opportunity for the management team to consider new and emerging issues. When change management is discussed next in this chapter, we will see that the majority of managers believed that their organisations coped successfully with change.

We have seen that managers who said that their organisation engaged in little or no strategic planning cited the limitations of the government funding cycle and a shortage of resources as the main problems. Interestingly, managers who reported that they engaged in strategic planning also cited the same problems but the effect on them was to limit planning to the short-term.

Lack of resources was cited as the other main reason for the absence of a strategic plan.

‘It’s really a resource issue because I still don’t have sufficient resources...we were hoping to start a strategic planning process at the end of this year but I think it will have to be moved back because of time and resources’ (VO 2).

In those agencies where planning took place, managers suggested that a lack of resources inhibited planning by restricting agencies to incremental change and development.

Respondents said that they could not rely on the necessary resources to be forthcoming for a major change of focus or direction.

‘There weren’t huge new directions because we are not in a position to do that because of resources but some things have gone so far and they need to go another bit and another bit. Its step by step...a sense of priority emerges because we have limited resources, what will be the priority for this year’ (VO 4).

This is consistent with the finding that almost half of all the managers in this study (42%) reported that their organisations were under-resourced (see Table 46 below).

Table 46: How well resourced is your organisation?

	Frequency (N)	Per cent
Well resourced	60	29.1
Adequately resourced	59	28.6
Poorly resourced	87	42.3
Total	206	100.0

In the qualitative interviews, however, two respondents mentioned that they had noticed a significant increase in the amount of funding available to voluntary organisations and they attributed this to the more favourable economic climate produced by the Celtic Tiger phenomenon. One respondent commented:

‘The main change [in the last three to five years] is the explosion in funding - the whole economic climate. We are now well staffed to do our mission (VO 5).

Both of the managers that reported a significant increase in their funding also reported well-developed strategic plans in their organisation.

It is interesting to note that 87 out of 206 managers (or 42%) felt that their organisation was under resourced. Faughnan and Kelleher (1994) have noted this shortage of resources in the voluntary sector, as did the Government’s White Paper years later (2000).

With regard to resources, the contribution of volunteers is worthy of mention. Ruddle and Mulvihill (1999) draw attention to the ‘social and economic contribution to society of unpaid work’ (1999: 105), but also point out that the numbers of people volunteering have dropped from 39 per cent in 1992 to 33 per cent in 1997/98. They conclude that a

more proactive approach on the part of voluntary organisations would attract more volunteers.

One of the core recommendations in a report by the National Committee on Volunteering (2002) focused on the resources that volunteers are for an organisation and how this resource can be under-utilised. It is precisely these areas that could be dealt with by strategic planning. In the research reported here, and noted already in Chapter 4, two out of three managers reported that their organisation used volunteers. Four of the managers who were interviewed said that they relied almost exclusively on volunteers to deliver their services. Without volunteer input it is unlikely that those services could exist. One of these four managers, whose service was totally dependent on volunteers, said:

‘I have to keep focussed on the fact that we provide volunteers to visit families in their own home. That’s our main service and I always have to make sure that every year we recruit enough volunteers’ (VO 11).

The same manager went on to comment that she recently was spending more time in the recruitment of volunteers. She said that all of her volunteers were women, and with the increasing trend toward two working parents, she noticed that women had less time available to donate their services. This manager said that her organisation was very reliant on volunteer labour and received 100 per cent of its funding from statutory sources, creating another strong dependency. This organisation had several hundred volunteers and only two paid staff. Despite these dual dependencies, no strategic planning processes were in place, because, the manager said, the restrictions of annualised funding meant that there was little point in planning more than a year ahead.

9.7 Resource dependency theory

What are the consequences for an organisation of being under-funded? An organisation lacking in resources generally has to divert energy into generating those resources that

they need to survive. Resource dependency theory conceives of an organisation's interaction with its environment as an exchange of resources. Since organisations are rarely self-sustaining, they will need to enter into exchanges with their environment to acquire the resources they need to survive (Levine and White 1961). The flow of resources may not be assured, however. For example, the Government may change its priorities and, hence shift its resources elsewhere, although the voluntary organisation may need that money to survive. This creates uncertainty, a situation in which future conditions cannot be predicted to a sufficient degree. As organisations prefer a predictable environment that can be relied upon to provide critical resources, they are likely to try and reduce this uncertainty (Pfeffer and Salancik 1978).

Applying this logic to voluntary organisations, resource dependency theory suggests that organisations that are short of resources need to develop strategies in order to survive. Furthermore, in order to maintain some control over their affairs, if voluntary organisations are reliant primarily on one funding source, they need to develop strategies to manage the relationship.

As mentioned earlier, 69 per cent of managers said that their organizations relied on statutory agencies as their main source of funding. Several managers mentioned that they were seeking, or would like to have, 100 per cent state funding. In a study of the relationship between voluntary organisations and the former Eastern Health Board, Donoghue (2002) found that most organisations welcomed funding as it enabled them to deliver their services and it also provided legitimacy for what they were doing. Managers in the research thought similarly as only one manager expressed concern that a greater dependency on statutory funding could result in a loss of independence as he said that 'he who pays the piper calls the tune' (VO 8).

Resource dependency theory suggests that when one player, (the voluntary organisation) needs another (the funding body) more than the other needs him, the latter is in a position to exercise influence over the former. The relationship is asymmetrical. For example, if there are several providers of a particular service, the funding body could withdraw its

financial support from one agency and give it to another. Or, the funder could impose conditions and limitations as a condition of the provision of funding. In this instance, the voluntary organisation is reliant on the statutory authority. Asymmetric relationships are uncomfortable for the dependent organisation and it thus it will seek ways to strengthen its position.

Pfeffer (1979) identifies three strategies for reducing dependence. Firstly, the dependent players can try to control other players who are in a position to control the resources. For example, the chief executive of a voluntary organisation could sit on the board of the health authority that provides the funding. As noted above, there was little evidence from the data that the managers had strategies in place to manage their relationship with the funding authorities.

A second strategy is to find alternative sources of funding so that dependence on a single source can be reduced. Fund-raising gives voluntary organisations a source of independent funding, yet, interestingly, as we saw earlier, many organisations considered fundraising an imposition and a waste of their time. Only one manager acknowledged the benefits of fundraising. She felt that fundraising helped maintain independence and she said that a second professional fund-raiser was going to be employed in her organisation.

Lastly, players can reduce their dependence on a particular resource by finding an alternative that fulfils the same need or by abandoning the activity. This final alternative may not be practicable for managers in voluntary organisations, as it is difficult to conceive how they could find an alternative to money that would meet their financial obligations. Similarly, as voluntary organisations are value-driven, it is unlikely that the option of abandoning a service would appeal to them.

The data in this study suggest that voluntary organisations are short of resources, a view also supported by the literature (Faughnan and Kelleher 1994, Ruddle and Donoghue 1995, Department of Social, Community and Family Affairs 2000, Donoghue 2002).

Resource dependency theory tells us that organisations that experience a resource shortfall need to develop strategies to survive. This theory also suggests various strategies that can reduce the dependence of an organisation on the provider of the resources. Strategic planning could assist voluntary organisations deal with the lack of resources and it may also be useful in devising strategies to manage the relationship with the funding body.

9.8 Other obstacles to planning

Numerous articles in academic publications have recognised the importance of planning even for small companies (Jones 1982, Aram and Cohen 1990, Schwenk and Shrader 1993). Whilst there are significant differences between small for-profit and non-profit organisations, nevertheless with regard to planning, the benefits of a proactive approach, for example in the recruitment of volunteers, are perhaps, unrealised by some voluntary organisations.

Why does strategic planning not appear to be a priority in many voluntary organisations? Why did nearly half the managers in the survey say that they engaged in either no strategic planning or only engage in to a limited extent? Managers identified a number of obstacles to planning namely the lack of resources and the limitations of the annual government funding cycle. Nevertheless, the old adage of ‘where there is a will, there is a way’ maybe pertinent here. There are a number of other possible explanations.

One explanation is to be found in the culture of the sector, already noted above. Interest in the relationship between planning and performance began in the late 1960s in the private sector. Strategic planning is used to assist companies gain competitive advantage and to survive the changing external environment (Clarke-Hill and Glaister 1995). It has remained a concept still associated mainly with the private, for-profit sector (Wooton and Horne 1997).

Another explanation may lie with the lack of skills and experience of the managers themselves. In the previous chapter we noted that only one manager had any sector-specific training, which, she reported, was only of limited benefit. There was also a dearth of generalist management training reported which may also contribute to the lack of strategic planning.

Another possible explanation for the relatively low levels of strategic planning amongst the organisations in the survey may be the fact that the majority of organisations in this study were fairly small in size. Thirty seven per cent of managers reported that their organisations employed less than five full-time staff although this does not account for the part-time staff, volunteers, and community employment scheme workers that also form part of the labour force for many voluntary organisations. Only two managers reported that their organisations employed between 50 and 100 full-time staff. Figures for the numbers reported to be in full-time employment are contained in Table 1 in Chapter 4. Seventy-five per cent of respondents (N= 153) said that they employed part-time staff. Forty-five per cent of the respondents reported that their organisations employed between one and five part-time staff.

When the number of volunteers is added to the workforce, the figures increase significantly. Sixty-five per cent of respondents indicated that their organisation employed volunteers, which was similar to the numbers for part-time and full-time staff. Most managers indicated that their organisations employed between one and five volunteers.

One further aspect of staffing deserves comment in relation to strategic planning. Some managers said that they relied quite heavily on staff from community employment schemes. Thirteen respondents out of the 206 surveyed said that their organisations employed between 21 and 50 FAS staff. As the funding for these labour market programmes is dependent on the support of the government, they are consequently, subject to change if the economic or political climate changes. If organisations rely on

them to support their services they will face significant difficulties if these schemes are cutback. Ireland is experiencing economic pressures and an average growth rate for 2002 in the order of four per cent as opposed to the 10 per cent achieved during the boom years of the Celtic Tiger, 1995-2000 (Irish Times, 3/3/03). St Vincent de Paul has expressed the concern that they said was felt by many voluntary and community organisations, at the anticipated demise of the Community Employment Schemes (Irish Times 16/7/02). More recently, the Government was criticised by the Opposition following disclosure that the Tanaiste had been prepared to cut Community Employment Scheme numbers in half (Irish Times, 4/01/03).

The lack of or low level of strategic planning reported by the respondents may also be explained by the values of the managers. In Chapter 6 we found that managers said that they prioritised people over tasks. They said that they value personal communication with staff and have a management style that is caring and more feminine in approach than masculine. It could be argued that managers place a higher value on those aspects of management that are directly related to their personal values and the values of the organisation. As with performance and motivation, those task-oriented aspects of management, therefore, have a lower priority. Moreover, where planning was carried out, managers reported an extensive and lengthy consultation process, which is consistent with their preferred management style, discussed in Chapter 6.

9.9 Organisational change

Organisations that have a strategic approach to management usually will also have a strategic approach to managing change. Strategic change is the implementation of new strategies that involve substantive changes beyond the normal routines of the organisation (Hannagan 2002). Many of the normative texts on strategic management now refer to strategic change management as the main issue facing today's leaders (Hitt *et al.* 2001, Grant 2002). It is an oft-quoted truism that the only constant in the lives of leaders-

managers will be change. This section now goes on to consider the attitudes of voluntary sector managers regarding the change process.

To uncover respondents' attitude to change, in the survey, managers were asked their opinion about the rate of change in four areas. The first area was the rate of change in services provided by their organisation, the second area was the rate of organisational change, third was the rate of technological change and, finally, the rate of change in funding. Furthermore, in the interviews respondents were asked what were the main changes that had occurred in their organisations over the last three to five years. They were also asked how their organisation had coped with these changes. In relation to the future, respondents were asked about what challenges they thought lay ahead in the next three years. They were also asked about how the organisation was preparing for the challenges ahead.

The responses from the survey indicated that the majority of participants felt comfortable with the rate of change in the services provided by their organisation. Only a small number (N= 9) of managers indicated that they felt that the rate of change in the services provided was too fast or they experienced no change at all (N= 5), refer to Table 48 below).

Table 48: Rate of organisational change

	Frequency (N)	Per cent
Too slow	70	34.0
About right	112	54.4
Too fast	16	7.8
No change	8	3.9
Total	206	100.0

With regard to the pace of organisational change, the data in Table 48 above supports the findings regarding the rate of change in services. Just over half of the respondents said that they were happy with the rate of organisational change, while one third said that the rate of change was too slow. Eight (4%) managers indicated that there had been no changes in their organisations. A higher number (40%) of managers were unhappy with the rate of technological change. Less than half of the managers said that they were happy with the pace of technological change, whilst 14 managers said that there had been no technological change in their organisation.

The quantitative data, therefore, indicate that respondents had a positive attitude to change so it is unsurprising that the quantitative data also showed that 89 per cent (N = 183) of respondents felt that their organisation was coping successfully with change. On the other hand, 23 managers reported that they felt that their organisation was unsuccessful in coping with change.

The implications of not coping with change are serious for an organisation. At best, it will limp along. At worst, it will go into decline and die (Butler and Wilson 1990). One of the managers interviewed worked in an organisation that she felt was not coping with change. In her view, the main challenge facing her agency was to drag itself into the twenty-first century. At the time of interview, she had taken the decision to resign as the management board was actively opposed to change. It is likely that this organisation would continue to survive in the short-term as the need for the service was greater than the supply. Although the organisation may survive, difficulties such as the above staffing problem are likely to be a recurring problem however.

One of the managers in interview drew attention to the fact that strategic planning can have implications for the management of change. As was mentioned earlier, he felt that overly prescriptive planning could result in organisation missing out on opportunities that had not been anticipated. He described some of the difficulties in managing the change process:

‘In the business of ... the government want to give more effort and priority so opportunities come. So then, you are presented with opportunities that may or may not fit with the strategic plan. It is also a very changing environment so you have to have flexibility. A lot of our efforts are in looking at service responses but we know very acutely that as we get bigger we become more aware of organisational needs in terms of management costs, management capacity, our organisational capacity to deliver the service to employees, to clients (VO 8).

One of the managers in the study commented that clients being more articulate and more aware of their rights drove changes within the organisation.

"The increased focus on rights and entitlements from service users has huge implications for service delivery."

If clients are more aware of their rights and more able to express them, then the consultation process referred to earlier, might probably be a significant vehicle by which

clients have their voice heard. Research by Solomon (2001) supports this view that customers are most often the main drivers behind change efforts.

Overall, the indications from the quantitative data are that, with the exception of funding, managers said that they were comfortable with the rate of change.

9.9.1 Changes in the last three years

Voluntary organisations face an environment where they must cope with constant change. Strategies and planning must reflect the changes to guarantee survival or to avoid decline (Butler and Wilson 1990). In the fieldwork interviews, managers were asked about the changes that had occurred in their organisations in the last three years. They were also asked to look ahead and anticipate the changes and challenges likely in the coming years.

Managers cited many and varied changes over the past three to five years. Four managers said that funding increases were the biggest changes. Three managers identified a greater degree of professionalism as the main change. An example given of this greater professionalism was the hiring of a manager and an administrator to run a service that previously was totally staffed by volunteers.

Several managers said that their services had expanded considerably in the last few years. One manager said that their staffing numbers had grown from 100 to 170 in the last three years. Another manager said that the biggest change for her organisation was in the level of disadvantage. Twenty years ago she said her staff had to wash the hair of children attending the centre as 'people had very little money, they couldn't even afford the shampoo' (VO 14). Other changes cited by managers were moving premises, the introduction of service contracts, and greater accountability.

9.9.2 Future challenges

In relation to the challenges that lay ahead, funding was the most common issue raised. With regard to this issue, one manager said he simply wanted to be able to attract enough financial resources. Another manager said that his main challenge was to access dependable funding. Expanding services was the other main issue raised by the respondents.

While most managers said they planned to raise their own funds, one respondent aimed to achieve full rather than partial funding from the Department of Health in order to reduce the time spend on fundraising. This organisation had joined with others to form a lobby group to achieve this end. The demands and pressures of fundraising were cited as a big concern for many managers. Many articulated the view that the time spent on fundraising was time taken away from the clients and service delivery. Others felt that they were providing services for the government ‘on the cheap’ as expressed by the following manager:

‘That’s a sore point because more and more of our fundraising resources are going into the running of our organisation which means you are subsidising the government into providing a health service’ (VO 10).

On the other hand, a manager of an organisation that received all of its funding from statutory sources felt that the main challenge ahead was simply to survive. She felt that the organisation was vulnerable because of its total dependence on state funding. She worried if the priorities of the government changed and funding was not forthcoming, then the organisation would collapse.

This view is reflective of resource dependency theory, mentioned earlier, that suggests that the more an organisation depends on one source of resources the more dependent that organisation will be on the organisation that provides the resources. Although this manager expressed concern about her organisation’s total dependency on state funding, nevertheless, no indication was given that accessing other sources of funding was being considered.

A further challenge that two managers anticipated having in the future, related to the recruiting of volunteers. One manager commented that people had less time to volunteer, as most people's lives have become busier. Relating this to resource dependency theory, this is of particular concern to those agencies that rely primarily on volunteer labour to survive. It was noted earlier that this is one of the areas that strategic planning could address.

A manager of one of the large organisations identified the increasing accountability in terms of auditing and quality controls that both clients and statutory agencies required as an increasing challenge.

Overall, however, managers reported a sense of confidence in the organisation's ability to survive the challenges ahead. Most felt they had the pieces in place in order to achieve their objectives.

‘ I think we are well placed when we make up our minds where we are going, and what we want to do, and then go for it’ (VO 1).

How well placed this confidence is, given the absence of strategic planning and the lack of an integrated change management strategy in many organisations is questionable.

9.10 Change management and values

Hannagan (2002: 66) describes an incremental approach to change management as ‘emergent’ change, rather than deliberate planned change. Some of the features of this incremental approach to change management are short-term planning, innovation and change, flexibility and encouraging initiatives by staff. The findings from the study currently being reported indicate that voluntary sector managers engage in incremental change rather than the more radical type of transformational change. How does this

incremental approach to change fit with the values of managers? The rankings that managers gave to the values of tradition, conformity, and security sheds some light on this question, (see Table 49 below).

Table 49: Tradition as a guiding principle in your life

	Frequency (N)	Per cent
Very important	98	47.5
Important	86	41.8
Unimportant	22	10.7
Total	206	100.0

Eighty nine per cent of managers indicated that the value of tradition was influential in their lives. Only two per cent, however, said that it was their most important value. Managers who value tradition as a guiding principle in their lives are unlikely to embrace radical change in their workplaces.

Table 50: Conformity as a guiding principle in your life

	Frequency (N)	Per cent
Very important	62	30.1
Important	91	44.2
Unimportant	53	25.7
Total	206	100.0

The data in Table 50 show that 74 per cent of managers indicated that conformity was a guiding principle in their lives. Only three managers (1.5%) however, ranked it as their most important value. These data are similar to the data in Table 49 above. While the values of tradition and conformity influence managers they do not consider them their most important values.

Table 51: Security as a guiding principle in your lives

	Frequency (N)	Percent
Very important	126	61.2
Important	67	32.5
Unimportant	13	6.3
Total	206	100.0

The data in Table 51 are interesting. Ninety four per cent of respondents said that security was a guiding principle in their lives. Four per cent (N= 8) ranked it as their most important value. Thus, managers place a high value on security, tradition and conformity. These values are consistent with an incremental rather than a transformational or radical approach to change.

9.11 Change and Innovation

Hannagan (2002), cited above, suggested that flexibility and innovation are characteristic of an incremental approach to change. Both Kramer (1987) and Salamon (1996) have associated flexibility with voluntary organisations. Table 52 below shows how innovative managers believed their organisations were. The majority of respondents perceived their organisation to be innovative.

Table 52: How innovative is your organisation?

	Frequency (N)	Per cent
Highly innovative	141	68.5
Innovative	40	19.4
Resistant to change	25	12.1
Total	206	100.0

The ability to embrace change is a necessary ingredient for an organisation to be innovative, as change and innovation go hand in hand. However, one wonders how proactive managers in voluntary organisations really are? Are they reacting and responding to changes imposed on them and, therefore, have developed survival mechanisms that help them cope with change? Or, are they out there actively aware of the external environment and planning for the changes that they anticipate? Given the earlier finding that managers said that they engage in incremental change, it appears that voluntary organisations may be good survivors, particularly when we noted in Table 6 earlier in this thesis, that the greatest majority (26%, N= 53) of managers said that their organisation was between 21 and 30 years old.

9.12 Conclusion

This chapter examined managers' perceptions of the extent and nature of strategic planning and managers' attitude to change management in voluntary sector organisations. Although the findings from the survey showed about half the managers said that they engaged in strategic planning, the qualitative data showed that much of the planning was

reported to be *ad-hoc* and not of a strategic nature. One of the main obstacles that managers identified was the nature of statutory funding that limited planning to a year-by-year basis. The other significant problem identified was the lack of resources that affected even those agencies that engaged in long-term planning. The managers of organisations that had comprehensive strategic plans described a wide-ranging, time-consuming process of consultation that went into the preparation of the plan. The main objective of strategic planning, according to the managers in this research, was the opportunity to review services and to plan for the future.

With regard to change management, overall the managers in this study displayed a positive attitude to change. The majority said that they felt comfortable with the changes that were occurring although many thought that the rate of change in funding was too slow. Most managers said that they felt that their organisations were coping successfully with change and most perceived their organisations to be innovative. The changes described in the recent past, and the challenges that managers anticipated in the coming years all pointed to their having an incremental rather than a radical approach to the change process.

What is the significance of the findings in relation to strategic planning and change management for the second research question, which refers to how managers' values translate into the practice of management? The importance that managers attributed to the values of security, tradition and conformity as guiding principles in their lives is consistent with their attitude to organisational change. These values are more aligned with a conservative, status quo attitude to change than with a radical approach to change. Earlier in the thesis we saw that managers cited social justice as an important organisational value and this chapter we have seen that an incremental approach to change characterises the approach of managers in voluntary organisations.

It appears from the data that managers pursue the value of social justice that they espouse for their organisation using incremental change strategies rather than more radical transformational strategies. This finding is perhaps, unsurprising, given that we already

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know that values have a significant impact on management practices, and we know that the values of security, tradition and conformity are important to managers.

Chapter 10

Conclusion

10.0 Introduction

This final chapter will reflect back on the research questions, and then pull together all the strands that emerged from the findings in order to draw out the most significant and interesting conclusions from the research. The contribution to knowledge of this thesis will be grouped into three themes, theory, data and method, and comments will be made on the limitations of this research. Finally, areas for future research will be outlined.

The objective of this thesis was to explore the role of values in what managers of Irish voluntary organisations said was their management practices. In order to do this two research questions were posed. The first one was to establish what values were important to managers in voluntary organisations, and secondly, to explore how these stated values translated into the practice of management in voluntary organisations. The management practices that were examined were management style, human resource management, performance and motivation, strategic planning and change management. The research questions were addressed from the perspective of managers only.

10.1 Significant conclusions

Firstly, this study has found that the values that the majority of managers' ranked as most important to them were universalism, achievement, spirituality, benevolence, and self-direction. Respondents cited social justice and respect for people as important organisational values. The style of management described by the respondents was

consensual, participative, caring, and people-oriented. This study has found a good person-organisation fit in relation to managers' personal values, their cited organisational values, and the management style that respondents described.

Secondly, one of the main conclusions to be drawn from this research is that managers of voluntary organisations in Ireland seemed to exhibit a strong commitment to, and an awareness of, the importance of their values. This is in sharp contrast to the warnings emanating from scholars (Salamon 1996, Salamon *et al.* 1999) regarding a crisis of legitimacy that they believe the non-profit sector is facing in the United States and in the developed world.

Thirdly, while the literature highlights the role that values play legitimising voluntary organisations, this study found that they perform a number of other roles also. In exploring the relationship between managers' values and their stated management practices, this study has found that in value-driven organisations, values have a number of unanticipated and unrecognised consequences.

Fourthly, the strong inter-connection that this research found between managers' values, managers' perception of organisational values, management style and management practices, facilitates the status quo. In this new era of greater accountability, an examination of all these may be necessary to facilitate a shift in priorities to accommodate these new concerns and demands.

10.1.1 Person-organisation fit

We will now consider each of these conclusions in more detail. The work of Bretz and Judge (1989) demonstrated that the values of an organisation are an important determinant of an individual's decision to choose employment there. This conclusion was borne out by the findings in this research. In this study a close inter-relationship emerged between managers' stated values and respondents' perception of the organisational values, and this was a significant factor in managers' decision to work in the voluntary sector. According to the respondents, values were instrumental, not only in

attracting them to work in a voluntary organisation, but they were also influential in determining the style of management that was practised. This style, they said, was characterised by consultation, consensus, and people-centredness.

10.1.2 Values and voluntary organisations

A perusal of the literature revealed that the values of the non-profit sector were a significant concern to some of the foremost scholars in the field, as it was felt that values held the key to the legitimacy of the sector. Salamon (1996) was concerned that the non-profit sector in the United States was facing a moral crisis. He warned that the trend toward bureaucratisation as a result of increased statutory funding could result in agencies losing touch with their core values and their roots, and hence they would face a crisis of legitimacy.

Similarly, in a global study of the sector, the Johns Hopkins Comparative Nonprofit Sector Project (Salamon *et al.* 1999) identified that the main challenge facing the non-profit sector in developed countries was the need to renew its identity and values. As the focus of this current research was on social services agencies in receipt of government funding (the majority of them relied on statutory support as their main source of revenue), it is useful to consider whether the non-profit sector in Ireland is also facing a similar crisis. Using the Donnelly-Cox and O'Regan typology (1998), these agencies could be classified as Type 111, that is, deeply embedded organisations with similar patterns of resource dependency and of managing their relations with the state.

One of the significant conclusions that can be drawn from this current research is that, contrary to the concerns expressed above, the value base of the managers in the Irish voluntary organisations this study is very strong and central to their focus. There was no evidence of a crisis of legitimacy in the sector, or at least among managers. Turning to the research questions, the value 'set' that was identified, universalism, achievement, spirituality, benevolence, and self-direction were said by managers to inform and influence their practice and approach to management.

While some respondents identified a different approach to management in large organisations that were in receipt of significant amounts of government funding, (some likened them to government departments), there was no suggestion that these differences resulted in a dilution of the values that they espoused. This does not mean, however, that there is room for complacency. Strategic planning provides an opportunity for organisations to revisit their core values to ensure that the agency is reflecting the central values it was set up to promote. As was noted in Chapter 9, there is only a limited amount of strategic planning was said by managers to be the case in the voluntary organisations in this study.

10.1.3 Unanticipated consequences of values

The literature assumes that values have a positive role to play, and to a large extent this is true. This study has found, however, that values can have unanticipated, or intended consequences, for the management of voluntary organisations. The data showed that the style of management preferred by managers was inclusive, consultative and co-operative. This style was also characterised by what managers saw as a people centred approach. It appears, however, that the managers' values that are associated with a person-oriented style of management also serve to inhibit behaviours that fall at the task-end of the management spectrum.

With regard to human resource strategies, the data showed that people management matters were said to get priority among managers in this research. In other words, managers said that they were highly supportive of staff training, of staff supervision, of flexible working hours and family-friendly work practices, and did their best to make these available to staff where possible. In relation to conditions of employment, a slightly different picture emerged. Not many staff, according to managers, were said to enjoy pay scales, leave entitlements were often restricted to the statutory minimum, and managers said that many staff worked shift hours. Staff who worked standard hours, managers said, were often required to work overtime in the evening or weekend as a norm.

One could argue that it is the scarcity of resources in voluntary organisations that restrict the ability of managers to pay award rates, or overtime rates. Another explanation is possible, however. Only two of the managers who were interviewed indicated that there was a budget allocation for staff training. Despite the shortage of resources, most of the managers said that somehow money was found to pay for training. This indicates that managers put a high value on training, and the availability of flexible working practices. On the other hand, if managers are to be believed staff do not appear to enjoy good conditions of employment.

This leads us to ask why managers place a high priority on having supportive policies such as family-friendly work practices, access to supervision and staff training in place, while at the same time employment practices, such as pay scales and leave entitlements, were often said to be at the statutory minimum. While asking this question it is useful to keep in mind, however, the role that values play in these management practices has been overlooked. It is possible, for example, that managers consider that working in a value-driven organisation is an adequate recompense or substitute for more generous conditions of employment.

The same forces can be seen at play in relation to the management of performance and motivation. From the findings there was little evidence of a systematic or planned approach to these management tasks. Neither at an organisation or an individual level did it appear that there were there any formal strategies in place to manage or monitor performance. The approach that most respondents described was piece-meal, uncoordinated, and informal. Most of the managers said that their organisations were efficient, yet appeared to have no measures in place to measure this. Managers said that their staff were hard-working and motivated, yet they did not reveal any processes in place to monitor this.

The lack of clear strategies to monitor performance was also reflected in how managers said that they approached the issue of motivating their staff. While there was a consensus

amongst the respondents that their staff were highly motivated, managers reported little in the way of input from the organisation to encourage this motivation. The respondents perceived that humanitarian values such as the desire to contribute something to society or a concern for a particular client group provided the motivation for their staff. The conclusion that might be drawn here is that managers' assumptions about the values of their staff resulted in an approach to motivation that was minimal in terms of organisational input. This brings to mind McGregor's (1969) classification of management style. He argued that managers' assumptions about staff influences the style of management that they adopt.

We have noted already that the style of management reported by managers favoured an orientation toward people rather than toward the task. When we looked at how managers said that they dealt with strategic planning, we see some implications of this style. An *ad-hoc*, informal approach characterised the approach to planning. There were very few examples of managers in the sample adopting a strategic approach to planning.

While various reasons were suggested to explain the limited amount of planning that characterised voluntary organisation, it could be posited that a deeper process is at play, and that is the influence of managers' values. Managers that have a primary orientation toward people are likely to prioritise opportunities for inter-personal communication such as supervision, annual appraisals, and team meetings. Strategic planning falls at the opposite end of the spectrum from a people orientation. It falls at the task end of the management continuum. Data from the interviews with the managers for this research indicate that these managers were more likely to report greater use of team meetings, appraisals, and supervision, rather than the more formalised approach of strategic planning.

While there is no doubt that lack of resources can make strategic planning difficult, and resource dependency is a feature of voluntary organisations, nevertheless, some managers did say that they managed to find the resources for such planning. Furthermore, they also reported that other areas, such as training which were not budgeted for, were also

financially supported. This would indicate that managers perhaps feel that certain types of management practices deserve support but it would also appear that these managers preferred to rely on personal communication processes rather than formal management practices.

It was noted earlier that the 'myth of goodness' (Donnelly-Cox and Jaffro 1999) contributed to the lack of accountability in the voluntary sector. There may be parallel processes at play here. As the myth of goodness contributed to the lack of external accountability, so also the role of values contributes toward internal management practices that emphasise people, communication, and processes over tasks, measurement, monitoring, and planning.

A more balanced approach to management, combining aspects of the task orientation with the person orientation may better serve the needs of voluntary organisations. A greater emphasis on task functions would prepare managers of voluntary organisations to take on some of the challenges and changes that lie ahead. For example, the move towards greater accountability will necessitate the development of more performance management measures; an area that we saw in Chapter 8 has not received much attention to date.

Furthermore, the strategic planning and change management strategies discussed in Chapter 9 could enjoy a higher priority if management developed more of a task orientation. This could have the benefit of anticipating and planning for the decrease in the numbers of volunteers, and adopting measures to deal with resource dependency.

As the demands for greater accountability grow, and with a new era of contract funding heralded by the introduction of service agreements by the health boards, the pressures on voluntary organisations to plan for the efficient and effective delivery of their services will grow. It may become incumbent upon the managers of voluntary organisations, therefore, to develop systems and processes that will embrace these changes. This may necessitate a shift away from the current emphasis on people to a greater focus on task

and measurement of outcomes. The findings of the Johns Hopkins Comparative Nonprofit Sector Project (CNP) (Salamon *et al.* 1999) noted in Chapter 3 are particularly relevant in this context for managers of voluntary organisations. The CNP concluded that in ‘government-dominant’ countries, of which Ireland is an example, public sector support is a critical factor in the growth of non-profit organisations.

This balancing of priorities may necessitate taking another look at the values of the organisation in order to embrace a changed perspective, as we know from the literature, and from some of the conclusions in this study, that a change in values needs to occur before a change in management practices takes place. Perhaps the slight tension that was reported by some respondents with the management practices of the organisation, as they saw them, was evidence of the need for this realignment, or shift in emphasis.

10.2 Research contribution: Theory

This research contributes to the theory of the non-profit sector in a number of ways. At the beginning of the research process a gap in knowledge was identified. No one body of literature dealt with values and management practices in the non-profit sector. This study demonstrated the importance of values for management practices in organisations that are value-led. Values are important for recognition, for legitimacy, and ultimately for survival. This legitimacy is linked to the ‘myth of goodness’ that Donnelly- Cox and Jaffro (1999) argue pervades the sector.

The role of values in management practices could be relevant for organisations in the public sector and the for-profit sector as this research contributes to our understanding of management. We have seen that there appears to be a relationship between the values of managers and their preferred style of management, as they reported. In other words, managers appear to be translating their values into what they said were their management practices. This would indicate some person-organisation fit, although as noted above this

is only from the perspective of managers and would need to be tested from the view point of other stakeholders to see if it holds true. Nevertheless, the importance of a person-organisation fit has significance across all sectors, although it clearly is more important in value-led organisations

This research lends support to the values-expressive theory articulated by James (1989), that voluntary organisations come into existence as a way of giving expression to the values of the founders. It could be argued that values in a voluntary organisation are the equivalent to profit in a commercial organisation. For-profit organisations exist to return profit to their shareholders. Non-profit organisations exist to allow for the expression of values and to promote a particular type of society, where values such as empowerment, self-help, social justice and equality find expression. This is resonant of the role and purpose of civil society discussed in Chapter 3, that civil society exists to give expression to something not found elsewhere.

It appears from the data that values replace the reward and performance management systems found in the for-profit sector. To act as an effective replacement, however, several conditions need to apply. Firstly, all staff must share the same value structure as the managers and be motivated to work in the sector because of these values. We saw in Chapter 8 that managers believe this to be the case, but further research is needed to examine the values and motivations of voluntary sector staff from the perspective of the staff themselves. Some staff may work in a voluntary organisation because of lack of alternatives, or for convenience.

In interview, one manager said that she moved from the private sector to a voluntary organisation because the hours were more flexible. While this person was the exception amongst the managers in this study, nevertheless, we cannot assume that all staff work in a voluntary organisation because of their or their organisation's values. One wonders what provides the motivation and the controls on their performance for these people. Furthermore, those staff who are motivated by the values of an organisation, may, at

times, feel burnt out, or disillusioned. One also wonders how these people fare and what is the effect on the organisation of burnout amongst staff or management.

Rather than relying on values, or feeling complacent about the motivation and performance of staff, managers would be well advised to address the following issues. Firstly, to ensure that staff recognise how their job contributes to the mission of the organisation, and secondly, that managers take steps to put into place a system of rewards and performance measures that will sit comfortably within the values structure of the organisation, yet achieve greater accountability.

10.2.1 Research contribution: Method

This study used a combination of qualitative and quantitative methods to collect the data. Heretofore, the majority of scholarly work on the sector has used one or the other approach. The application of this combined method to the study of the non-profit sector is beneficial as it allows for data to be collected from a wide cross-section of agencies, while at the same time, the richness and depth are gained from the in-depth interviews.

10.2.2 Research contribution: Data

In the development of the research design several issues emerged that demanded immediate attention. The literature review revealed that there is no single definition of the non-profit sector that is widely adopted by scholars in the field. Furthermore, there is widespread variation and different understandings of the terms in common usage. This lack of agreement and confusion over terms has significance that impacts upon, but also stretches beyond, the academic community. For example, the absence of a common definition may result in differing interpretations of the boundaries of the non-profit sector, thus making international comparisons difficult. It could be argued that unclear boundaries inhibit the development of a sectoral identity, which, in itself, has further ramifications.

For the purposes of this research, deciding on the appropriate terminology revealed a complex and confusing array of terms. The term most frequently used in Ireland is the voluntary and community sector. At a national policy level, however, a different approach is adopted. In the Government's White Paper (Department of Social Community and Family Affairs, 2000), the community and voluntary sector was described as being at different ends of a continuum, without a definition of either being provided, however. The White Paper used the term community and voluntary sector as if a sense of unity and identity existed amongst these organisations. At a scholarly level, Donoghue *et al.* (1999) distinguished between the non-profit sector, which included large statutory funded institutions such as hospitals and schools, and the community and voluntary sector.

In addition to the definitional question, a further problem discussed in Chapter 1 was the lack of regulation and the lack of a clear legal basis for voluntary organisations. This was attributed to the traditional association of non-profit organisations with the Catholic Church, and the assumed inherent trustworthiness of such charitable endeavours.

At a research level, one of the consequences of the unclear boundaries of the sector is a perceived lack of sectoral identity. Having determined that the research would focus on the community and voluntary sector, a further methodological problem arose, which further muddied the waters. No single, comprehensive representative database existed of the community and voluntary sector in Ireland, making difficult the selection of a sample that was representative for research purposes.

Consequently, a database of all the voluntary organisations funded by the then Eastern Health Board in 1999/2000 was selected. Eligibility is primarily governed by Section 65 of the Health Act 1953, which states that organisations may be funded that provide services 'similar or ancillary to' those provided by the state. Various commentators have pointed out that the vagueness of the wording has resulted in different interpretations being applied, and hence a wide variety of organisations being funded. Until the government provides a clear definition of the sector and uses the definition to clarify

policy responsibilities, this confusion of what constitutes the community and voluntary sector in Ireland will continue, and will make difficult any decisions regarding the funding of priority areas.

10.3 Research limitations

The purpose of conducting research into the non-profit sector is to enhance our understanding of a segment of Irish society that contributes significantly to the economic and social life of the country, yet which, up until recently, has been largely ignored. During the in-depth interviews conducted for the purposes of this study, this researcher noted that many participants had no concept of sectoral identity, and thus they operated in an isolated and fragmented fashion. In some cases, the respondents identified mainly with organisations providing similar services, or with other organisations in the same geographic area. The idea of being part of a wider voluntary sector for some was unfamiliar. One must exercise caution, therefore, in interpreting the data, and in the conclusions that are derived from the findings in this research. For numerical reasons as well as lack of representativeness, already referred to in Chapter 4, the findings only relate to managers in the voluntary organisations in this study. In only a few instances, were the findings extrapolated to the wider voluntary sector.

Attention needs to be drawn once again to another limitation of this research. As pointed out at the outset, this study set out to investigate managers' perspectives on the research questions that were posed. Any conclusions drawn from the findings, therefore, must be interpreted with this in mind.

One final word remains to be said about research limitations. We noted in the previous chapter that managers of voluntary organisations in the survey adopted an incremental approach to change. The data showed that change management is gradual and slow rather than radical and transformational. With the exception of funding, managers reported that they were satisfied with the pace of change. This finding is unsurprising

when we consider that managers in the survey indicated that the values of security, tradition and conformity were guiding principles in their lives. This brings us back full circle to the definitional issue again and to the issue of organisational types. These values may be more important to managers of social service voluntary organisations as this was the predominant type in this survey, classified as type III, traditional organisations under the Donnelly-Cox and O'Regan typology (one organisation in the sample had a community development focus and one other had a rights/lobbying orientation). Managers of other organisational types may emphasise different values.

10.4 Future research directions

This brings us to directions for future research. Throughout the thesis a number of possibilities have already been put forward. The problem with defining the sector has been referred to on a number of occasions. This is not just an academic concern. While the voluntary and community sector remains fragmented, the issue of representation will remain unresolved. One final thought about definitions deserves mention. One could argue that in Ireland, we are moving towards two distinct sectors, each with their own separate history and identity. One is the voluntary sector consisting mainly of the traditional health, social service and welfare agencies, and the other is the community sector, which consists of self-help, community action groups, advocacy, environmental, and cultural groups. Future research may need to explore this issue to determine how much merit there is continuing to refer to 'a sector' meaning the voluntary and community sector, bearing in mind that this study found that some practitioners even have difficulty with the concept of a voluntary sector.

The focus of this research was on the values of managers of voluntary organisations, and how these values translated into practice. At times managers' views were sought on the values and motivations that they perceived that their staff held, and as we saw, this perception had implications in a number of areas. Future research could focus on the staff in voluntary organisations to explore their values and motivations.

In this thesis conclusions were drawn about organisational values, based on the perceptions of managers. Further research into this area that sought the views of all the stakeholders would greatly advance scholarship in this field. A case study approach to this type research would enable the views of all relevant stakeholders to be sought. Similarly, conclusions that were drawn in this thesis in relation to management style and management practices were based on the perceptions of the managers. It would contribute to the process of non-profit sector theory-building within the area of non-profit scholarship to research these areas also from the perspective of other key stakeholders

Finally, while the history of the non-profit sector in Ireland has begun to be traced, more needs to be known. We do not have any idea if the sector is changing or how it is changing. We do not know if it is declining, expanding or staying constant. Future research could concentrate on mapping longitudinal changes to the non-profit sector, for example, changes to the funding base, and the size and scope of the sector.

10.5 Concluding remarks

This research has demonstrated the significant impact that values have on many aspects of management practices in voluntary organisations. At times, the impact of these values was seen to have unrealised and perhaps, undesirable consequences, for example in the reported lack of motivation and performance related measures for staff. Overall, however, values appear to play a very positive role in the management of voluntary organisations. They were said to attract people to work in the sector, they were reported to be associated with a style of management that is caring and supportive of staff. Perhaps most importantly of all, they seem to contribute to the survival and continuity of voluntary organisations that, as was noted in Chapter 3, are an essential component of civil society, and a humanising aspect of post-modern democracies.

Appendix 1

The International Classification of Nonprofit Organisations

Group 1 Culture and Recreation

- 1100 Culture and Arts
- 1200 Sports
- 1300 Other Recreation and Social Clubs

Group 2 Education and Research

- 2100 Primary and Secondary Education
- 2200 Higher Education
- 2300 Other Education
- 2400 Research Group

Group 3 Health

- 3100 Hospitals and Rehabilitation
- 3200 Nursing Homes
- 3300 Mental Health and Crisis Intervention
- 3400 Other Health Services

Group 4 Social Services

- 4100 Social Services
- 4200 Emergency and Relief
- 4300 Income Support and Maintenance

Group 5 Environment

- 5100 Environment
- 5200 Animal Protection

Group 6	Development and Housing
6100	Economic Social and Community Development
6200	Housing
6300	Employment and Training
Group 7	Law, Advocacy and Politics
7100	Civic and Advocacy Organisations
7200	Law and Legal Services
7300	Political Organisation
Group 8	Philanthropic Intermediaries (Foundations) and Promotion of Voluntarism
Group 9	International
Group 10	Religion
Group 11	Business and Professional Associations, Unions
Group 12	Not Elsewhere Classified

Source: Salaman and Anheier (1996)

Appendix 2 Survey Questionnaire

This purpose of this survey is to investigate the values held by you as a manager of a voluntary organisation and the role values play in the management of organisations. The information gained is for research purposes solely. Responses will be completely confidential and no information on individual replies will be released to anyone.

I hope that the findings from the survey will be of use to those responsible for the management of voluntary organisations and that it will inform strategic decisions in the future.

If none of the answer categories given for a question exactly fits your opinion please indicate the one closest to your opinion.

Q1 Here is a list of words that describe the organisation you work for. They are arranged in pairs of opposites. Tick one box between each pair of words that best describes how you feel about your organisation.

Efficient	<input type="checkbox"/>	Inefficient				
Resourced	<input type="checkbox"/>	Under-resourced				
Valued	<input type="checkbox"/>	Undervalued				
Caring	<input type="checkbox"/>	Uncaring				
Personal	<input type="checkbox"/>	Impersonal				
Motivated workforce	<input type="checkbox"/>	Unmotivated workforce				
Organised	<input type="checkbox"/>	Disorganised				
Friendly atmosphere	<input type="checkbox"/>	Unfriendly atmosphere				
Consults with consumers	<input type="checkbox"/>	Does not consult the consumer				
Democratic organisation	<input type="checkbox"/>	Undemocratic organisation				
Innovative	<input type="checkbox"/>	Conservative				

High staff morale	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	Low staff morale
Hard working	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	Easy going
Participative	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	Non-participative
Accountable to the public	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	Non-accountable to the public
Services exceed consumer expectations	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	Services do not exceed consumer expectations

Q2 Please tick one box on each line to indicate how strongly you as a manager agree or disagree with each of the following statements.

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Staff should have regular training	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
All staff should have annual appraisals	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Staff should be involved in setting their own objectives	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Budgets should have a training allocation	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Senior positions are advertised externally	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
It is important to have family-friendly employment policies	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Staff respond favourably to flexible work practices	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Q3 The following questions are related to your management practices. Tick one box in each row

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
I give my staff clear instructions	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Staff should be closely supervised	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
I access learning opportunities in relation to my work	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
I meet regularly with all staff	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
I encourage teamwork	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Staff are aware of our mission	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Q4 Please indicate what happens in your organisation when staff consistently perform well			
	Always	Sometimes	Never
Praised by supervisor	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
Praised by other staff	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
Praised by consumers	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
Given generous study leave	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
Given training opportunities	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
Offered a higher position	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
Given extra remuneration	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
Nothing	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
Other (please specify)			

Q5 Please rank in order of importance what motivates you as a manager in your job. Assign a code of '1' to the item which motivates you most, a code of '2' to the second most important up to a code of '7' for the least important

Status	
Pay	
Job security	
Sense of achievement	
Opportunities for self development	
Acknowledgement from public	
Other (please specify)	

Q6 Tick the one box in each row that most applies to your organisation

	Yes	No	To a limited extent
A strategic plan exists	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Monitoring of the plan occurs	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Staff have performance targets	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Feedback about the services is sought	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3

Q7 Please tick one box on each line

	Almost always	Often	Sometimes	Rarely
Do you feel you have the necessary skills to carry out your job effectively?	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄
Are most of your communications with staff face-to-face?	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄
How often do you consult with your staff before decisions are taken that affect their work?	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄

Q8 Please indicate by a tick in the appropriate box how you assess the rate of change in your organisation

	Too slow	About right	Too fast	No change
Changes in the services provided	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄
Organisational changes	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄
Changes in technology	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄
Changes in funding	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄

Q9 Indicate by ticking one box how your organisation adapts to change

Very successfully	<input type="checkbox"/> ₁
Successfully	<input type="checkbox"/> ₂
Not successfully	<input type="checkbox"/> ₃
Very unsuccessfully	<input type="checkbox"/> ₄

National College of Ireland

Q10 From the list of 11 values below, circle the value that is of the most importance to you as an individual. Then, underline the value that is of no importance.

1. <i>Power</i> : (social status and prestige, control or dominance over people and resources)
2. <i>Achievement</i> : (personal success through demonstrating competence according to social standards)
3. <i>Hedonism</i> : (pleasure and sensuous gratification for oneself)
4. <i>Stimulation</i> : (excitement, novelty and challenge in life)
5. <i>Self-direction</i> : (independent thought and action-choosing, creating, exploring)
6. <i>Universalism</i> : (understanding, appreciation, tolerance and protection for the welfare of all people and for nature)
7. <i>Benevolence</i> : (preservation and the enhancement of the welfare of people with whom one is in frequent contact)
8. <i>Tradition</i> : (respect and commitment and acceptance of the customs and ideas that traditional culture or religion provide)
9. <i>Conformity</i> (restraint of actions, inclinations and impulses likely to upset or harm others and violate social expectations or norms)
10 <i>Security</i> : (safety, harmony, and stability of society, of relationships and of self)
11 <i>Spirituality</i> : (finding meaning in life, inner harmony)

Q11 Now please rate each value according to its importance as a 'guiding principle in your life' using the following scale

9 8 7 6 5 4 3 2 1 0 -1
of supreme not opposed
importance important to my
values

Rate 9 → -1

<i>Power</i>	
<i>Achievement</i>	
<i>Hedonism</i>	
<i>Stimulation</i>	
<i>Self-direction</i>	
<i>Universalism</i>	
<i>Benevolence</i>	
<i>Tradition</i>	
<i>Conformity</i>	
<i>Security</i>	
<i>Spirituality</i>	

What is your job title? _____

Are you..... Male...1 Female...2

Your age? 20-30... 31- 40... 41-50... 51+...

How many of the following categories of staff are there in your organisation?

- a) full-time? _____ b) part-time? _____
 c) volunteers? _____ d) FAS? _____

How many years has your organisation existed? _____

Is your organisation national, regional or local? _____

Please rank 1- 4 the main sources of your funding, eg ranking fundraising '1' indicates the main source of your funding comes from fundraising, whilst ranking statutory/lottery as '4' indicates that the least amount of your funding comes from this source.

Statutory/Lottery	
Fees	
Donations	
Fundraising	

Would you be willing to participate in an interview following analysis of the questionnaire? _____

Thank-you for your time and cooperation.

Appendix 3

Survey letter

Dear

I am a post-graduate student at the National College of Ireland, currently doing research for a PhD on management in the voluntary sector in Ireland and I am conducting a questionnaire survey as part of this research. The area of research I am interested in is discovering what values exist in the Irish voluntary sector and the relationship between values and management practices. Values are “a broad tendency to prefer certain states of affairs over others.”(1) I am hopeful that the outcomes of this research will be of benefit to managers in the voluntary sector by highlighting the importance and relevance of values in the management of both services and staff.

Your organisation has been selected for inclusion in the survey using sampling techniques from a database of voluntary organisations. Following analysis of the questionnaire I shall also be conducting interviews with a select number of organisations. If you have no objection to being included in a follow-up interview, I would be grateful if you would indicate this at the end of the questionnaire.

I appreciate that the demands on your time are many and that you may consider this questionnaire to be a low priority. Nevertheless, I would ask you to take the time to complete it (about 10 minutes) as the status of the sector as a whole will be enhanced by improving our understanding of it through rigorous research.

As individual responses to the questionnaire will be confidential I urge you to be as honest as possible. The findings will be available to anyone who wishes to access them. If you have any concerns or questions regarding the questionnaire please do not hesitate to contact me by telephone (01-4068035) or by email (pconnolly@ncirl.ie).

I would be grateful if you could return the questionnaire to me in the SAE within a week of its receipt or by the end of September at the latest.

Many thanks in anticipation of your cooperation.

Kind regards
Yours sincerely

Pauline Connolly
8 September 2000

(1) G. Hofstede (1984: 18) Cultures Consequences, Sage Publications, NY

Appendix 4

List of voluntary organisations

- VO1 is a chief executive of a large national organisation providing services in the field of mental disability
- VO2 is a chief executive in an international organisation providing services in the field of mental disability
- VO3 is an international youth organisation
- VO4 is a Dublin based organisation providing mental health services
- VO5 the director of a national child-care organisation
- VO6 the chief executive of a Dublin based co-ordination and information service
- VO7 is the manager of a local youth organisation
- VO8 is a manager of a national organisation providing accommodation services
- VO9 is a manager of a national, information and counselling service
- VO10 is a manager in a Dublin based service providing services for those with mental disability
- VO11 is the manager of an international family and child-care service
- VO12 is the manager of a local children's service
- VO13 is a Dublin based service for disability
- VO14 is the manager of a local child-care service
- VO15 is the co-ordinator of an international service organisation
- VO16 is a national training and support agency
- VO17 is the manager of an international organisation in the field of mental disability
- VO18 is the manager of an information and support service
- VO19 is the manager of a local children's service
- VO 20 is chief executive of a national mental health organisation

Appendix 5

Interview Schedule

Values and Management Practices:

In this section, I am interested in exploring the relationship between work values and management style.

1. Why do you work in the voluntary sector? Would you consider work in the public sector or private sector?
2. What are the 3 main values of (name organisation). What do these mean in practice?
3. How would you describe your style of management? (probe inclusive, democratic, directive, authoritarian)
4. Do you think you would be a different type of manager if you worked in a different environment, eg a competitive sales environment? (Probe, does the style come with the person or with the job?)
5. Does your style vary according to circumstances or needs of staff? If yes, give examples?
6. Do you think there is a typical or identifiable style of management to be found in the sector? Can you describe it? Why is this style typical of voluntary sector management? (probe, how did this style develop, did it evolve over time?)
7. In your opinion, how effective is this style in meeting the needs of the sector? ? (Probe, is there a fit between organisation's needs and management style?)

8. In the questionnaire you identified as your three most important values. What is the connection between these and your management style? Can you give examples?
9. To what extent do the management practices of (name organisation) reflect your values?

Human Resource Management Strategies

In this section I want to determine if there is congruence between HR/management strategies and the values of the organisation

1. Are performance appraisals carried out in? If not, why not? If yes, what is the purpose of the appraisals?
2. How many training days do staff get on average per year? Does the amount of training vary with the position held? Is there an adequate training budget?
3. Do all staff have (a) pay scales (b) contract of employment (c) do they work shift hours (d) flexible working hours (e) job-sharing or part-time work (f) access to regular supervision (how often?) paid maternity leave?
4. How are senior staff recruited? How do you know if the person has the right mix of values for this organisation?

Motivation and Performance

In this section I am interested in the link between motivation and performance in the voluntary sector

1. In your opinion, what is the primary motivator of staff in this organisation? (probe: what makes them work harder or better?)
2. How does the organisation motivate its staff? (probe: has the organisation thought of this?)
3. What motivates you?
4. How do you know or measure if staff are performing well? What options are open to you if they are not? ? (probe: is performance measurement or improvement something that the voluntary sector take seriously)
5. To whom are you accountable, and in what way, for your performance?
6. What background/ training/ qualifications have you for this position? ? (probe: does the person feel adequately trained for the position?)

Leadership Style

In this section I am interested in the role of the leader in the organisation

1. What do you see as the primary role of yourself (or if not most senior person) or the senior manager in the organisation? (probe: does the person see themselves as manager (functionalist) or leader (visionary) or both?)
2. How do the values of the organisation survive and get passed on? Who carries the values of the organisation?) (probe: is the leader responsible for this? Who carries the values of the organisation?)

3. Would you describe the style of management in the voluntary sector as more masculine (competitive) or more feminine (caring, cooperative)? Why is this? probe: do the increasing numbers of female managers influence this?)

Strategic Management and Change Management

In this section I am interested in exploring the sectors response to challenges and changes

1. Describe the forward planning process in..... What is the review process? (probe: are there strategic plans, one year plans? Who does them and how, why ?)
2. How do you know to what extent your organisation is achieving its mission/ goals?
3. What are the main changes that have occurred in the past 3-5 years in your organisation? How has your organisation coped with them?
4. What challenges lie ahead in the coming 3-5 years? How is the organisation preparing for this challenge? What are they doing about it? reactive or proactive? (probe: are they aware of challenges ahead in the wider environment? What are they doing about it?)
5. Are you aware of the Governments White Paper on the relationship of the state with the voluntary sector?

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