The Dilemmas and Paradoxes of User-Led Governance: the Case of the Oak Children’s Centre

Paper for Boards and Beyond: Understanding the Changing Realities of Nonprofit Organizational Governance.

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Introduction

This paper is the result of a rare opportunity to observe and interview the members of a nonprofit board and the key members of staff about their views and reactions as their organization dealt with a crisis that faced its continued existence. It builds on previous research by the authors (Mordaunt and Otto, 2004, Mordaunt and Cornforth, 2004 and Paton and Mordaunt, 2004) and will explore in greater depth than has been possible in earlier work, the dilemmas that were exposed for the governance of the organization, in resolving dealing with the apparent crisis and the underlying issues.

The organization is a user-run work place child-care centre for staff of a large bureaucratic organization. It had operated relatively successfully for many years but recently faced an apparently serious financial shortfall which would render it no longer viable. The employer values the availability of the centre and therefore agreed to fund the production of a new business plan which would assess the options for placing its operation on a more sustainable footing. The authors agreed to work with the board and staff to create this and in the first instance facilitated a retreat for board and staff members to assess the problems, the ways in which these might be addressed and the future options. It was agreed with the board as a quid pro quo for assisting them, that we would interview them (6), the two advisers to the boards (finance and human resources) and the two key staff members and to utilize this for research purposes. The paper draws on these interviews, documentation supplied by the centre and our observations of one board meeting and the organization’s Annual General Meeting. It analyses how common challenges for boards identified in earlier work played out in this particular case where we have had the opportunities to gain multiple
perspectives. It also seeks to chart the dilemmas posed for the board in addressing the problems.

**Some common issues facing boards in dealing with organizational problems**

When researching the role of boards in organizational failure and recovery in the past (op.cit.), we have adopted a social constructivist approach (Anheier and Moulton 1999). By this we mean that failure is rarely an objective state but rather a constellation of difficulties facing the organization that have been constructed into a story by the key stakeholders that constitutes a problem for the board to address. Different players in different contexts and with different skills might well construct the same sets of circumstances differently.

Also our previous work (Mordaunt and Cornforth, 2004) on crisis, failure and renewal suggests that nonprofit boards can play a significant role in the recovery of the organization. In order to address really serious problems successfully, boards have to step outside what is conventionally seen as their ‘normal’ non-interventionist and strategic role and become more ‘hands on’. There is a need for leadership from within the board particularly where there are problems with the performance of the chief executive. Any recovery that takes place is often led by ‘inner circles’ of board members, who need a ‘safe place’ (whether formal as in a small sub-committee or informal such as going to the pub for a discussion after meetings) in which to consider their options.

Moreover, in order to achieve the recovery, in addition to skills, knowledge and ‘industry wisdom’, board members need time, commitment and emotional resilience to deal with and withstand the problems and difficulties they are likely to face. Given the way in which problems once exposed apparently multiply and escalate, it seems too that a twin track approach (Paton and Mordaunt 2004) is also needed where immediate pressing problems (such as financial shortfalls) and more deep-seated issues (e.g. long-standing systemic management failures) have to be addressed at the same time.

In the paper that follows we explore how were these issues perceived by this board and what effect these perceptions appeared to have on how they addressed the problems they faced? What did the board do to resolve the problems and how effective was this? What dilemmas were posed for the board and the organization by the particular ways that the problems were constructed? Before we do this however, it is important to describe the key features of the organization.

**The Oak Children’s Centre**

The Centre was established on the site of a large bureaucratic organization - the Treacle Factory or TF, as a work-based day care centre some 25 years ago. The nursery building (provided by the TF and rented to the centre at a subsidized rental) is purpose-built with two large open-plan areas, two smaller rooms and a secure garden. Childcare places are available for those employed by the organization and is seen by the latter as an employment benefit but the centre is in fact an independent company limited by guarantee and registered as a charity with the English Charity Commission. It aims ‘in partnership with parents to provide a caring, happy, family atmosphere in
which children enjoy learning through play and through a planned structure of child-centered activities’. (OFSTED 2004)
There are places for 52 children and the centre is divided into three groups – babies up to 18 months, toddlers 18 months to 3 years and the ‘top end’ for ages 3-4 years. It is open 8.30am – 6.00pm 50 weeks per year. Within these times attendance is flexible – some children attend full-time, some part-time and the ages range from aged 3 months-4 years. Funding comes from three main sources, fees paid by parents, nursery funding from the local council and fundraising by the parents.

There are some 23 staff – all female and either qualified as nursery nurses, nursery teachers or working as unqualified assistants. The chief officer is the centre leader, a qualified nursery teacher and there is a deputy plus a head of each of the age groups. Because of the length of the opening hours and the increased regulation by the state of staffing ratios and risk, there is a substantial number of part-time, contract staff needed to cover for staff absences and fluctuations in the number of children attending. There is very limited administrative support to the centre leader who is a qualified nursery teacher. The administrative office doubles as a staff room and there is no private space for discussion or supervision with individuals.

Since the outset, the centre has been run by a parent-led committee. At the time of the problems there were 10 members on the committee each with responsibilities for various aspects of the work ranging from fundraising to occupancy and staffing through to allocation of grants for subsidized places for parents with low incomes. There is a group of 5 office-bearers: chair, vice-chair, treasurer, company secretary and admin. secretary. There are two members of staff of the TF who sit on the committee in an advisory role: by custom and practice has grown up an informal arrangement whereby the TF handles all payments and income for the organization through its finance department and manages all staff recruitment, appointments and contracts through its human resources management department. (The centre is an independent organization yet it has a level of subsidy from the TF who finds it an attractive workplace benefit to offer its employees). However, this combined with the fact that all the board members work for the TF, has the effect of blurring the organization’s distinctive identity as a non-profit organization. Although it has quite different issues and challenges to address, it operates as if it were just a department of the TF.

The Presenting Problems

By 2003, after many years of high occupancy rates, (around 93% and above average for children’s centers), occupancy had dropped sharply. It was now averaging around 79% but on the current scale of charges for places this was 2% lower than the breakeven point of 81% occupancy. In the financial year 2003/04 they had a projected deficit of £29,000 on a turnover of £290,000. The board saw that organization was facing a financial crisis.

Currently their fees compare favorably with other day centers in the local area. To recoup losses on current occupancy rates would entail a fee rise that the board felt would render their operation uncompetitive. Moreover, they had a strong value
commitment to affordable child care. Many of the staff using their centre were on clerical and secretarial grades and were not highly paid. Even with a level of subsidy from government to assist hard up working parents, the fees would have to rise to a level that they felt were excessive. There was too a personal issue. All the board were themselves service users and therefore not only felt keenly the effects of fee rises on their own household budgets but they also had to face the other parents at the centre on a daily basis.

The board tried to understand the reasons they were facing this problem. They saw this as a consequence of environmental changes. There had for example been numerous changes in government policy for both children and child care and for employment since the advent of the Labour government in 1997. These included:

a) Changed government policies on the age of admission to free state schools which meant that children were leaving the centre at an earlier age. However, this older age group, the ‘Top End’, needed lower staffing ratios than the babies and toddlers and there had been a level of cross-subsidy for the more expensive places. This was becoming untenable.

b) The introduction of parents’ rights to flexible working meant that there was an increasing number of children attending part-week – either shorter hours or fewer days per week. This meant that occupancies on at the end of the week in particular were falling as low as 50% but the fixed costs of staffing remained constant.

c) Changes to employment regulations have required that there is now a limit of two years on the time that anyone can be employed on a temporary contract. Even temporary workers are now entitled under European Union regulations to basic employment rights such as sick leave, holidays and pensions. In this case all the temporary workers had been given flexible permanent contracts with minimum guaranteed hours. This had made their reserve staffing both more expensive and less flexible.

d) There was a 1% increase in employers’ social insurance costs in 2003.

e) There had also been substantial growth in state regulation. The centre was the subject of inspections by OFSTED (the office for standards in education) for its work on with pre-school children (3+) and by the local authority for general child care standards.

These environmental changes were compounded by some particular features of the centre. The staffing was very stable unlike many other children’s centers that were subject to higher than average turnover. This was valued by the parents but it also had costs: older staff were more likely to be qualified and at the top of their salary scale. This meant they were also more expensive than competitors’ staff.

The solution that the board saw to their crisis was that they needed to re-organize the operation of the centre to accommodate more babies for whom there was always a high demand for places and put up the fees. However, this needed time and the board was deeply worried by the rapidly accumulating deficit. Fortunately, over the years, many staff in the Treacle Factory had benefited from the services of the Children’s Centre and there is a great deal of nostalgia about the happy times their children have had there. There is therefore a font of goodwill (often in high places) towards the
centre. This extended to the chief administrator’s PA who negotiated for them to meet with him and discuss their problems.

At this meeting the employer agreed to waive the rental on the centre of £9k for one year but there were strings attached. There would be no further help without a business plan and basically the message from this key stakeholder was sort it out or privatize it. When the chief administrator had worked for his previous employer, their day centre had been handed over to a private company that managed child care facilities. He felt strongly that this would be a much quicker and cleaner solution than trying to sort out the problems with a voluntary board. At this point the board decided to do something that they had not done before and recruit a consultant from the local university to facilitate a board retreat. The board had no money but they hoped that they would find someone who was interested in using the centre as case study material.

All is not what it seems – the underlying issues

In the course of the consultancy/research, it became clear that the veneer of rationality that covered both the issues facing the board and the wider organization was very thin indeed. Underlying the technical problems about how to restructure the organization lay much messier problems (Schon 1983) that had lain ignored for a very long time. Moreover these were generally undiscussable (Argyris 1990). Everyone involved had ‘feelings’ about how the others behaved and acted, yet these were not allowed into the open. Moreover there was awareness that there were some more troubling issues to be dealt with. There was a general level of dissatisfaction on the part of board member individually regarding their relationship with the centre leader although they had not shared this explicitly with one another. This was coupled with concerns on the part of office bearers that they were dealing with a serious performance problem. (This had been inherited from their predecessors. When the centre leader post had become vacant some years earlier, it had proved hard to fill the post. Rather than not make an appointment they had offered the job even though there were concerns at the time that this might be risky). The centre leader for her part felt that the board was amateur and transient – the best strategy from her perspective was to ignore them and if that failed to work around them.

These unvoiced issues led to huge communication problems that permeated the whole organization. (Indeed it may still be hard to write up this case in ways that can be shared with the whole organization!). Most of the organizations problems seemed to stem from problems associated with its very weak governance structures and systems. These arose in the following ways:

Ignorance

Although the employer was bureaucratic and most parents spent substantial amounts of their time in meetings, different issues arose in non-profit organizations such as informality and the lack of formal systems by which the TF in contrast was driven. None of the board members had any substantive experience of being board members and therefore they did not really have an awareness of their possible role and options as board members NOR (most importantly) did they know where they could get help with this. Consequently they tried to operate in the same way as they would in their
day-to-day work but without the similar systems to support them. The board also did not consider that it did not have to offer the same very high standard employment terms that TF offered its own employees.

**Issues about continuity**

The previous weakness was compounded by the fact that the board had a high turnover in membership. The problem was that although membership of the organization was open to all staff members in the TF, the reality was that sufficient interest and commitment to be involved was only generated by being a service user. For most parents this constituted a fairly short period of three years. Often the first years was spent coming to terms with working and coping with a small child, then came membership of the board and as one board member put it –

> ‘it takes a year to understand your role so, by the time you do - it’s nearly time to move on’.

There had been attempt to ensure continuity by defining and allocation roles and responsibilities but this led to other problems:

**Formulaic conformance**

Because the board were inexperienced, they followed the guidelines left to them by their predecessors. Each person on the board was allocated a role and there was a written job description. In effect members followed the template for their job. There was much complaining about people not doing what they should, but each role operated fairly autonomously (apart from the fund-raising committee). Consequently, the board had little sense of group identity. Nor had there been questions asked about whether these assigned roles were always appropriate. For example one member was responsible for making recommendations on fee reductions for individuals but issues of confidentiality arose from this – the board had access to highly personal information on the personal circumstances of their colleagues.

**Issues about lines of reporting and accountability**

The chair, the board and the staff had muddled and unclear relationships. The centre leader avoided taking matters to the board and attempted to operate without them as far as possible. There was a weak understanding of appropriate reporting and some major matters e.g. whether or not to recruit new members of staff, were often agreed between the chair and the centre leader without reference to the full board although these decisions committed spending and reduced options on the shortfall. The proposal for this consultancy was not shared with the full board either. As it was not part of her job description the centre leader did not provide any servicing or support for the board and they were reliant on information that they could glean for themselves about the operation of the centre. There were also appeared to be weak understandings of confidentiality on the part of some board members with allegations about highly sensitive information about the possibility of closure being discussed amongst service users. There were fears that this could further undermine the viability of the centre. This was compounded by:

**Poor communication**
Not only was the board ill-informed, but the meetings often were poorly managed and over-ran. Important matters were often neglected and there was a great deal of anger, but this did not manifest itself in productive ways – at one meeting (when board members realized our consultancy brief had not been shown to them) the members spent an hour arguing about whether to buy a leaving present for a member of staff. Perhaps reflecting the centre leader’s disengagement (above) the board frequently met without any centre staff present. This created a view of ‘them’ and ‘us’ and the affirmed the centre leader’s view that working with the board was not ‘part of my real work’.

**Board roles versus service-user roles**

These other governance problems were compounded by difficulties that board members had in differentiating what was good for the parents and what was good for the organization. Probably the best example of this was the decision that had brought the financial situation to a head. The previous year the board had refused to raise the fees when requested by the centre leader. As mentioned above as service-users, they were very sensitive to the issues of fee level. However as one board member put it:

‘The consequences of NOT raising the fees were not explained to us’.

**Adhocracy**

Whilst the child-care in the centre was of a high standard, it was achieved at a price. Everything was ‘ad hoc’ – there was no strategic planning of any kind and each problem was reacted to as it arose. Things were achieved by ‘muddling through’ and both the board and the centre leader were constantly fire-fighting apparently unanticipated problems. This had the effect of demoralizing and exhausting everyone and led to recriminations about board and staff not doing what they should. The centre leader, complaining of exhaustion and burn-out to the chair, was allowed to reduce her hours to part-time. This just made things worse.

**The neglected organization**

This weak governance and management led to a ‘neglected organization’. There were no proper systems for anything. Human resource management was neglected. There had been no staff appraisals for some considerable time and there was a serious problem of absenteeism amongst particularly the relief staff which compounded the financial problem as replacements had to hired and remunerated. There was only some very part-time and untrained administrative help.

There were no effective IT systems for managing either the waiting list or occupancy levels. The latter were calculated daily on a sheet of paper. This meant that there were frequently ‘emergencies’ and shortages of cover and board members were coerced into giving up their lunchtimes to cover for staff who were either absent or on their own breaks.

Financial information (as in the Treacle Factory itself) was a bit of a mystery. The projected shortfalls varied substantially from one month to another and this was compounded by problems that TF finance staff (who serviced the organization as part of the subsidy from the employer) had in understanding the complexities of financing
child care. There were suspicions on the part of the board that they were not getting accurate information.

As we have also noted above the information from the centre to the board was very inadequate and they almost never got written reports from the staff. Yet the board suspected that the environmental problems that they diagnosed as the cause the decline in number should not just have crept up on them. ‘Somebody should have seen this coming.’ The horizon had been watched but no one had actually done anything about it because solutions to the problems did not seem possible to them.

Actually there were huge resources available to the centre: the TF staff that used the centre were highly and diversely talented. They had skills that the board could utilize to help them in their tasks, but the organization had no systematic way of identifying what skills the parent members could offer to assist the board. This was an untapped resource. There was also no marketing strategy to attract new users. There had been no awareness raising amongst potential staff users of the centre of its existence or that it could in fact admit children to any of the three age groups. There were many missed opportunities.

All these problems had existed for some considerable time and many were recognized by individuals. However board members acknowledged, without the financial crisis, the board would not have been mobilized to address the problems and would probably have ignored these underlying issues for as long as possible.

Drivers for change and barriers to action

With the help of the authors, the board held a retreat that involved 8 of the board members, the two advisors from the TF and the centre leader and her deputy. It emerged that the organization had never had a discussion of this kind before! At this and in the interviews that took place with board members and staff to get some deeper understanding of the problems, the following issues emerged as important in deciding whether they wanted to address the problems and also as factors that might prevent them being resolved:

Access to expertise

There was a great deal of expertise available to the board on childcare matters – not only were the senior staff well-versed in this but the also the government inspection regimes made sure that good practice was followed. Indeed the centre leader seemed to think that OFSTED – the education inspection regime was likely to descend on the centre and find them lacking at any moment although they did not in fact carry out unannounced inspections.

The board had access to expert support within the TF in the form of help with finances and personnel but there were issues about this. No-one had ever considered doing things differently from the parent organization. A ‘one size fits all’ approach was taken and particularly in the area of finance, there appeared to be little consideration of whether the information supplied reflected a realistic representation of the situation or that the centre was accessing all the resources it could. The one area where the centre most needed help – strategy was absent.
Because of the problem of ignorance, meeting with two people from the university with expertise in nonprofit management, organizational dynamics and financial management began to open up new perspectives and possibilities. They could reframe their problems in new ways and begin to see ways forward from a situation they had experienced as overwhelming and impossible. Later when the board had resolved to deal with the problems in a more sustained way, the decision to use of free reserves to buy consultancy from a professional consultant was very important. They could not have sustained the turnaround unaided.

Overall within the board there was a lack of ‘industry wisdom’ (Harker and Sharma 2000) and this reflects interestingly on the notion of ‘will and skill’ (Pettigrew and McNulty). The consisted of willing people – they wanted to keep their resource for their children and they were all highly educated, but this lack of knowledge of the particular context of the voluntary sector was really problematic for them. They were not used to working in a way where the onus was on them to take responsibility for making the organization work. In the TF strong structures and systems would sound the alarm if things went wrong.

Leadership

Initially the leadership of the board was hugely problematic. The board chair changed very shortly after the ‘turnaround’ process commenced. The original board chair saw the problem as a technical one (she was in a scientific post in the TF) – the key thing was to identify the optimum operational configuration for the organization. In reality she had become sucked into operational issues and was attempting to fill the management vacuum that existed as a result of the centre leader’s abrogation of her powers. She was a member of the board but tended to operate as an individual rather drawing support from collective responsibility. The other board members found her difficult to work with. She lacked the ability of motivate them and the general assessment was that she did not have the interest in leading the change (nor did she appear to have the support of the rest of the board). Into this breach stepped one of the other board members, initially very tentatively – it was a case of ‘faute de mieux’ – there was no one else. She took on the challenge very tentatively and initially only on a short-term basis. Critical in her decision to do this was the support of another board member who took on the role of vice-chair. They both worked in the same department and had a degree of confidence in each other which was supportive.

Commitment

In part both the new chair’s hesitation and her decision to take on the challenge stemmed from these factors. All the board were very committed to the organization and once it emerged that the main private franchise provider was not interested in maintaining it as a parent-led organization with the existing management committee, they were clear that they wanted to keep the family ethos and were determined to turn it around themselves. However, there was ambivalence about this. A number of board members expressed their frustration that they had been left with this enormous task and felt unsupported by the other parents who they saw as just going to the centre and dropping their child off without getting fully involved. There were also concerns that dealing with problems as board members might have a negative impact on the treatment of their child in the centre. At the early stages of the recovery, most board
members privately expressed a wish to leave but felt obliged to stay as there was no one else. At the AGM four members (including the chair) left the board and only two ‘volunteered’ to replace them.

**Time**

This was a huge issue for everyone involved. The board members were relatively new parents who ‘felt very vulnerable and fragile’. Most of them had just returned to full-time work and were balancing the demands of job and their child (and their domestic responsibilities). Staff, who worked in professional roles in the TF, were also much freer to organize their own working hours than those in administrative and clerical grades who tended to be more closely supervised and held to fairly rigid working hours. This constrained the involvement of some board members as the board met a lunch-time and some literally had only an hour to give.

**Emotional resources**

All the board members and the staff found the situation stressful. They wanted the organization to recover, but there was a strong sense that they wished that this challenge had not come their way. One board member remarked that her involvement ‘had not really come at the right time.’ It was clear also that some board members did vote with their feet and leave the organization. The original chair of the board had been clear that this was a major factor in her decision to resign from the committee: ‘It’s making me ill’. However, paradoxically this was helpful as the smaller committee was much easier to manage as a group.

All of these issues were compounded by an avoidance of conflict on the part of the committee – though in fact the organization was in fact riven with suppressed conflict. So the challenge was how to move the board from identifying the problems to agreement to tackle the problems and having a strategy for doing this. The next section addresses the dilemmas and paradoxes that emerged for the board in making this move.

**Creating a coalition for change – the dilemmas and paradoxes**

The first problem that faced the board was the overwhelming nature of the problems facing them. As we have shown above there were so many issues and problems facing the organization that the board felt completely bemused. Organizational recoveries have so many complexities to them it can be really difficult to decide what the most appropriate interventions are at the initial stages. As one board member put it at the away-day:

‘Given the scale of the problems, I feel like my efforts making and selling cakes is useless when we have such big issues to address’.

This problem is well documented even in huge private sector organizations (Slatter and Lovett 1999) and identifying quick wins that will improve matters whilst buying time to make more fundamental issues – the ‘twin track’ approach (Paton and Mordaunt op.cit) can be a difficult trick to pull. From the outset at the board retreat there was an emphasis on identifying immediate actions such as setting up means of
handling absences with HR advisor, getting an e-mail list for parents and putting promotional leaflets in staff maternity packs. At the same time the authors proposed and the chair and secretary to the board negotiated some additional funding from the employer to pay for us to undertake a strategic appraisal. This identified the need to review job descriptions and to create a proper management infrastructure for the centre. However, there was a need for dedicated consultancy which was found by us in the local co-operative development network – a specialist on child-care co-ops was recruited.

However, in order to begin this process, the board had to reconcile for themselves number of dilemmas and paradoxes posed by the governance of the centre. First of all there was the issue of whether they had the will to drive the change, for it was by this stage clear that at that moment, the centre leader was feeling very that her job was under threat from the direction that the discussions were taking. As we noted above there were time and stress issues – that were costs for them in undertaking the change. Some members made the decision that they did not wish to continue, but those that stayed became very committed to maintaining what they called the ‘family atmosphere’ of the centre. But this was not a decision taken lightly – however as the board became more determined to change things, the energy levels in meetings appeared to increase.

Secondly there was the dilemma of skill – how to stop losing all the skill that people built up in the governance of the centre because of the quick turnover on the board and yet at the same time recruit members with the kind of commitment that the current board has? The members of the organization do not have to be current parents but a great deal of time was spent trying to find someone perhaps an expert in child care or similar to take on the role of chair and to encourage other staff members of the TF to become involved. But this remains a real problem – unless the board members are centre users, the interest in being involved very rapidly decreases and there are other apparently more relevant organizations like schools and youth groups to become involved with. The issue of continuity remains a serious problem. It could be that the board will resolve the current problems only for the gains to wither as current members leave.

Thirdly there were concerns about the impact that taking action could have on their relationships with staff at the centre. Board members were keenly aware that their status as service users changed when they became board members and that staff treated them differently. The two roles sat in tension: parents received help and support from staff but as board members they were the employers of the staff. Additionally there was growing anxiety amongst the latter as rumors of financial problems and possible closure or take over began to seep out. As they became more aware that the situation could become fraught with conflict, the board members worried that this might impact on how staff perceived and treated their children.

Fourthly the board needed to shift from being risk averse, to taking some financial risks even though this ran counter to how they perceived their stewardship role. The employer gave them £3.5K to pay for us to undertake the strategic review. However, it quickly became apparent that this would be insufficient and that they needed longer term help which would cost much more. Although the organization was apparently running a deficit, the deal that they had struck on rent remission and some changes in
occupancy together with a fee increase, meant that they were likely to break even in the current year. In addition to 3 months closedown costs (a SORP requirement under English charity law), they had £25k in free reserves. However, the treasurer was of the view that this needed to be kept for a ‘rainy day’. It took considerable debate to persuade him that the rainy day had indeed arrived.

Finally the board had to find a way of working together effectively. The board retreat was critical in this. In a sense once the problems had been owned by bringing them into the open, it was difficult to put all the evil spirits back in Pandora’s box. This in itself was formative for them. There was in a sense of relief that others saw the same problems. However, it would be fair to say that at the time we stopped working with them, they still had some way to go in assuming collective responsibility for what happened to the organization.

Conclusions

In the end the board did assume responsibility for changing the organization, although initially there were huge doubts about their capacity to do so. What appeared to be the critical factors in doing this? It seems that access to appropriate expertise along with the board’s commitment to seeing through the changes (even though they did not relish the challenge) was the critical factor along with the decision to spend the reserves on tackling the underlying problems. The financial crisis was a critical trigger here.1

Secondly the importance of the board retreat in allocating time to talk and to realize that the problems were ones they agreed about. The importance of allocating time to talk and reflect together on how the organization is doing is an important message to emerge from this case.

In addition to this, the authors employed organizational development methods in working with the board. Not only did we work and meet with the board and the staff as a group, we also met with them individually. This we think is important in constructing agreement about the nature of problems and what needs to be done. Without this it is possible that the board would have tackled the marketing problems – (they now have substantial waiting list) but possibly would not have resolved to tackle the underlying issues as they involved dealing with delicate, difficult and long-standing management problems.

Once they had agreed as a group that action was necessary, they appear to have got on and dealt with the issues. What would now be interesting and novel, having been involved as consultants in an action research mode, would be to go back and interview both the board members and the senior staff for their reflections on the process and their assessment of the impact dealing with their problems has had on board performance.

Bibliography

1 Interestingly as they investigated further it emerged that their accounts were probably inaccurate and they did not really have as major a crisis as they thought!


