Taking Stock: A Critical Examination Of Board Governance In The UK’s Top-500 Nonprofits

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As nonprofits are taking on evermore prominent roles in designing, providing and substituting public services, organizational governance - the ‘systems and processes concerned with ensuring the overall direction, control and accountability of an organization’ (Cornforth 2013:5) - has become a central concern for nonprofit theory, policy and practice. Within this context, special attention has been paid to board composition and activities. These are seen as contributing to diverse organizational characteristics: from public confidence in a nonprofit (McCambridge 2004) and its ability to secure resources (Glaeser 2003), to organizational activities (Tschirhart et al. 2009), efficiency (de Andres-Alonso et al. 2010) and performance (Gazley et al. 2010).

As to-date most research and knowledge has been based in, and derived from, North American contexts, our paper contributes to the growing interest in developing a broader, international, understanding of nonprofit boards. Using Hyndman and McDonnell's (2009) investigative question of "How should charity boards be composed?" as a starting point, we map and critically examine the actual board composition within the United Kingdom's top-500 nonprofits by income. With an average income of £54m in 2011, these nonprofits account for 46% of the total estimated income of UK nonprofits, yet have generally been left out of UK academic research which has tended to focus on small and medium-sized nonprofits.

Our research approach combined deductive and inductive approaches. First of all, existing research and practice knowledge was used to design a paper questionnaire. This incorporated both Likert-scale and free text items. This was mailed to the top-500 nonprofits by income as provided by the Caritas Direct database. The latter records the annual accounts filed by nonprofits with the Charity Commission for England and Wales, and with the Office of the Scottish Charity Regulator (OSCR) in Scotland. The findings were then analyzed both statistically and using inductive thematic analysis (see Guest et al. 2012). Of the original sample, 228 charities completed the questionnaire, providing a response rate of 46%.

Using the insights from the survey, our paper first of all maps and outlines current board characteristics of the UK's top-500 nonprofits. We then critically examine how these characteristics relate back to Hyndman and McDonnell's (2009) normative question around 'appropriate' governance arrangements as well as to the wider insights provided from the literature. To this end, we focus on four thematic categories: structures (the underlying, relatively fixed arrangements that support other elements of governance such as terms of office), processes (the methods organizations use to populate these structures), meetings (the conduct and delivery of processes), and behaviours (the ways in which individuals relate to each other). Drawing our findings together, we conclude with a roadmap to future research on UK nonprofit governance.

References