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**Balancing Financial Growth and Social Aims in a Third Sector Mental
Health Charity**

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Masters in Business Administration**

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Abstract

The charitable sector in the UK has grown significantly the last 20 years it is now worth billions of pounds per annum. Those charities that are funded by public sector finance are those that have seen the biggest growth.

Public sector funders, such as local authorities and the National Health Service have increasingly seen the financial benefits of sub-contracting key elements of their services. They are able to sub-contract to specialist providers, measure and manage the impact of these organisations and control costs.

Mental Health Care and Support is worth an estimated £7 Billion per year and 80% of this funding is sub-contracted to specialist providers, many of whom are charities or third sector organisations.

Inevitably as funding opportunities became available, entrepreneurial third sector organisations grew and developed to maximise their chances of securing funding.

These charities, also known as not-for-profit organisations have increasingly been expected to become more professional, applying traditional business techniques in order to be accepted as a sub-contractor. They have had to adapt and change their services to secure business in a competitive environment.

This study examines how this need to grow, to come professional, creates new and innovative services is balanced with the desire to stay organisations that have a set of core social aims at their heart. It will consider how possible it is to grow into a multi-million pound organisation while still staying true to the desire to offer care and support.

The study focuses on mental health charity Making Space.

Declaration

This work is original and has not been submitted previously for any academic purpose. All secondary sources are acknowledged.

Signed	
Name in Full	Catherine Murray-Howard
Date	2 nd June 2010

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1. Introduction

1.1 Background to the research

The following definition of private non-profit organisations is given: any organisation without a financial objective, under private control, which aims to generate a social benefit for a specific sector of society. By using this definition as a basis for discussion there is an aim to understand that if when growing financially, third sector organisations still generate a social benefit. By researching the available body of literature and also undertaking an original piece of research the dissertation explores the relationship between financial growth, social aims and strategy, and whether the three can co-exist or conflict.

1.1.1 Organisational Background

The company selected for research in this dissertation is Making Space. The organisation has been established 27 years and provides support and care to people who have mental health difficulties, learning disabilities and dementia. Its portfolio of services includes Residential Care Homes, Independent Hospitals, Floating Support – where support workers help people to recover and live independently in supported housing schemes. Making Space provides high quality accommodation and they provide support workers to individuals, Mental Health Day Services and therapies such as Computerised Cognitive Behavioural Therapy and also support for people to access employment and training opportunities.

Making Space was created by David Lyne who, an entrepreneur, had a particular desire to galvanise government into helping people with schizophrenia. Through his passion he established an organisation that would eventually grow into a charity that in 2010 has an annual income of £22,000,000. The organisation has grown during a time where spending on health has grown significantly and where there has been a shift from the 'charity' as being a right wing philanthropic organisation to being something that can execute traditionally 'social services' more effectively and more innovatively than large government can. This has led to government sub-contracting to large non-profit organisations.

The 'customers' or paymasters of the organisation are large Government Funded statutory bodies such as National Health Service (NHS) and social services departments in many of the

UK's Local Authorities. Making Space and its competitors will typically offer to provide a service that the government organisation has identified as a need and then usually, through a tendering process will be awarded a contract to deliver. This contract will guarantee a fixed income over a specified period of time (e.g. 3 years) and then Making Space will be measured against its ability in delivering this contract.

Increasingly people with mental health difficulties, learning disabilities and those people with dementia are being awarded a personal budget, which gives them the opportunity, to purchase their own care and accommodation. This has led to Making Space changing its marketing focus towards the 'Service User' and 'Carer.'

Making Space, although a charity and bound by the rules and regulations of the Charity Commission, is not a fund raising organisation, this means that the organisation is unlikely to be seen targeting the general public for income.

Some of our largest and most well-known organisations are non-profit and deliver the highest quality of services. They include, Childline, NSPCC, Marie Curie Cancer Care, Dr Barnados, Age Concern and MIND (Mental Health Charity).

1.1.1.1 Procurement Process

In recent years, government bodies, such as Local Authorities and the National Health Service have seen the social and financial benefits of sub-contracting key elements of service delivery. This has led to the incredible growth in absolute numbers of organisations and also in the financial value of the sector.

Organisations such as Making Space, which has grown from an income of £25k in year 1 (1982) to £21.2m in 2010, have been able to maximise and adapt to the procurement process.

The process places a responsibility on third sector organisations to establish processes, systems and quality assurance in order that they compete for contracts – the reward if they professionalise in this way is to secure multi-million contracts secured for long-term fixed periods of time.

1.1.2 Academic Background

'The rapid adoption of strategic planning has not been universally viewed in a positive way. There is an ongoing debate about whether it has a positive effect at all on a non-profit's organisational performance.'

There is a huge body of literature about the proliferation of not for profit organisations in recent years.

The literature review examines a number of themes including, strategy, funders, social aims, entrepreneurialism and marketing.

In their review of literature on strategy in the non-profit sector, Stone *et al.* (1999) provided many insights. They conclude that: strategy is moulded by characteristics of resource environment and existing funder relationships; organizations in the sector combine both competitive and cooperative strategy and associate different outcomes to each one; exogenous factors affect the relationship between strategy and structure; and funders' requirement to plan is one determinant of strategic planning (Stone *et al.*, 1999;)

Saunders *et al* (2009) claim that the not-for-profit sector has many different segments, the largest of which includes organisations that have a public interest objective, and which are known as charities. These are typically organisations dedicated to improving the quality of life of specific groups of individuals. (Brandsen and Pestoff 2008) also describe the way in which not-for-profit organisations are growing in importance in the UK economy and have an increasing role in the provision of public services.

Small non-profit organizations face a dilemma when applying management theories and techniques developed for large, private businesses. Research evidence suggests both benefits and problems associated with application of these techniques. To avoid potential problems, non-profit managers commonly limit the selection and transfer of business techniques to those that solve specific problems or appear consistent with non-profit orientations. One consequence is that business solutions often create unintended negative outcomes that are due to contextual differences between the two types of organizations.

Most non-profit organisations were originally established as a result of the passion and belief of one or a number of people who want something to change. Then as the company progresses and serves more ‘customers’ deliver a greater quantity of services it becomes incumbent on them, in order to remain competitive and to be well placed to continue to deliver.

The challenge for these organisations comes in being able to balance this growth, the application of business and strategic principles whilst still staying true to the original social aims of the organisation. Organisations in the not-for-profit sector have a unique relationship with their ‘stakeholders’, particularly with those people who might use their services. To change the *raison d’être* of an organisation and its fundamental principles can have catastrophic effect.

This dissertation seeks to understand how, by researching Making Space, an organisation can grow and continue to generate income, whilst remaining a truly ‘social’ organisation.

1.2 Research Question

1.2.1 Research Question

Balancing Financial Growth with Social Aims in a third sector Mental Health Organisation

Name of collaborating establishments [if any]:

Making Space

1.2.2 Aim(s) of the investigation: (*Objectives of the study*)

- To understand as an organisation grows financially does it lead it to caring less?
- To understand if, as they grow, third sector mental health organisations retain their original vision or reason for existing – social aims.
- To understand the role of strategy in the growth of third sector organisations

1.3 Justification for the research

There has been much discussion in recent years about the validity of charities and not-for-profit organisations – debate is about whether they should take the amount of government money they do. There is a view that sub-contracting to charities can actually be described as the privatisation of public services. Furthermore, due to the significant sums of public money involved, it could be argued that the third sector organisations are able to experience such prolific financial growth, possibly at the expense of their original customer. The danger is that such organisations might lose

their original ability to care and to adapt services to truly meet the needs of the customer in favour of simply being a deliverer of large government services.

1.4 Conceptual Model

The conceptual model described in the research is used to illustrate that when a organisation grows but that growth has no grounding in strategy then social aims of the organisation diminish. Yet when strategy is applied the social aims are well thought through and growth reflects that strategy so balance is achieved. The model contests that strategy is the fulcrum that balances the organisation's growth with its social aims.

1.5 Methodology

Rather than employ traditional research techniques, such as questionnaires, the researcher applies a new and flexible technique, Delphi. This methodology enables the views of a wider group of stakeholders to be gathered and for the privacy of the contributors to be maintained because of the style of the research.

To support the main method the project uses semi-structured interviews which explore the themes highlighted in the Delphi Technique.

The final technique was Timeline and was used as a simple way to describe the history of the chosen organisation in terms of its highs and lows.

1.6 Findings

Phase 1 of the Delphi Technique revealed that the expert panel agreed on a number of key issues including that Making Space exists to support and enable everyone affected by mental health, learning disabilities and dementia to make life choices and take a full and active part in their community. This suggests that the panel believes that social aims are at the core of the organisation. In addition the group also believe that Making Space has been excellent at responding to customer's needs in delivering services. This suggests that the organisation also has the ability to adapt and develop products that can be bought – so entrepreneurial. The first round also revealed a strong belief that that the organisation had not grown by accident, suggesting that planning has played a part in its growth history.

Consensus was not reached by the panel in round 1 in a number of areas, most notably in the question, that suggested that Making Space's financial goals outweighed the need to deliver to high quality services. This suggested that there is some doubt as to whether the balance is appropriate. In Round 2, once pressed further the group did agree that money was not more important than delivering high quality services.

The semi-structured interviews probed further as to the evidence that demonstrated the views held by the expert panel. The results seemed to suggest that Making Space demonstrates strategy through its involvement of all employees in planning and its measurement, its commitment to services is revealed through the investment in and passion for quality and entrepreneurialism is demonstrated through local small examples of innovation.

1.7 Conclusions

The research concludes that Making Space does achieve a balance between entrepreneurialism and maintaining a commitment to its social aims. It achieves this through the role of strategy – which answers the question posed in the aims – that strategy acts as the balancing force or the fulcrum.

The dissertation concludes that increasing financial growth need not lead to 'caring less' provided strategy is integral to that growth.

2. Literature Review

2.1 Introduction

The literature selected for review examines a range of literature about third sector organisations and it focuses upon and assesses the areas covering Strategy, funders, Social Aims and Marketing.

It explores a body of literature that describes and evaluates the impact of the increase in the not-for-profit sector and how these organisations address issues such as entrepreneurialism and strategy.

The chapter reviews Journals, Periodicals and Books, it also reflects on a number of broadcasts that were deemed relevant for analysis.

2.2 Strategy

Strategic planning according to (Harris, 2009) is the process leading to a comprehensive detailed plan, covering all functional organisational areas, for several years into the future. Harris begins to discuss the dilemma that third sector organisations face in balancing detailed planning with operational actuality.

They describe how managers creatively use ambitious and ambiguous strategies to harness consensus and legitimacy from key stakeholder groups, thereby, they believe effecting subtle organisational change.

Social Enterprises operating without a formal strategic plan are increasingly rare argues (Courtney R, 2005). Strategic management is an attempt to take control of the organisation's destiny by developing a rigorous legitimate strategy for the survival and growth of the organisation. (Dougherty, 2009). Evidence shows that many large third sector organisations operate on a professional basis and in fact, it could be argued, have a duty to responsibly manage their organisations as this should result in greater operational delivery – in other words serving and helping more people with better services and also by spending significant sums of government funds effectively.

A definition of strategic management in social enterprises is defined by the Council for Voluntary Organisations (2007) as the process of developing realistic medium to long-term plans.

Furthermore corporate strategy by The Concept of Corporate Strategy, (Andrews 1980) is the pattern of decisions in a charity, not-for-profit or social enterprise that determines and reveals its objectives, purposes, or goals. Strategy is the direction and scope of an organisation over the long-term which achieves advantage for the organisation through its configuration of resources and to fulfil stakeholder expectations. (Johnson & Scholes 2005: 9)

(Siciliano, 1997) argues that research into strategy development in Social Enterprises has predominantly concerned itself with a narrow conception of it being formal strategic planning.

(Courtney R, 2005) suggests that, 'in the non-profit sector there is perhaps a tendency to create a simple caricature of strategic planning or strategic management in order to refute its relevance in the voluntary non-profit sector'. However Hudson (2004) highlights three dimensions of the strategy development process, each of which is highly context specific, it follows that experimentation and learning over time are as important as periodic formal planning, it is a political process whereby powerful individuals and/or groups negotiate and bargain to the most suitable strategy. And finally it involves an analytical process to produce strategic plans.

(Mintzberg, 1985) argues that, in relation to implementing an agreed strategy, claims that while it is important to be committed to implementing it, it is equally important to retain an open mind about the desirability of adapting the intended strategy. (Mintzberg, 1985)

In their review of literature on strategy in the non-profit sector, Stone *et al.* (1999) provide many insights. They conclude that: strategy is moulded by characteristics of resource environment and existing funder relationships; organizations in the sector combine both competitive and cooperative strategy and associate different outcomes to each one; (Stone *et al.*, 1999;)

Westhall explains what the strategic pressures are for not-for-profit organisations and why. She explains that the adoption of strategic planning has been driven partly by the demands of external funders. Social Enterprises seeking to operate in competitive markets that are targeted by large, for-profit companies will generally find that competitive strategies based on inefficiencies are

unattractive simply due to relative scale effects. The growing professionalism of third sector management practices entails a degree of homogenisation.

In the third sector Miles and Snow (1978) propose that there are four strategic types: defender, analyser, prospector and reactor. Defender organizations have a narrow product or service strategy with more emphasis on efficiency than changes in the organizational environment. Prospectors are continuously exploring market opportunities and experimenting with different responses to change in the operating environment. Analysers combine features of defenders and prospectors by operating in two-market domains, one being relatively stable and the other changing. Reactor organizations are rarely able to respond to change in their organizational environment. Miles and Snow (1978) contend that defender, prospector and analyser strategies are viable in the long run. Making Space fits into the category of analyser in this assessment.

Several studies of strategic planning in non-profit making organisations have highlighted that strategic analysis tends to focus more on the requirements to satisfy funders than clients' needs.

Strategy/Strategic planning is used in non-profit organizations to explicitly demonstrate value (Smillie, 1999; Lindenberg and Bryant, 2001; Lewis, 2007);

Harris et al claim that the rapid adoption of strategic planning in Independent Non-Government Organisations (INGDO) has not, however, been universally viewed in a positive way. There is, for example, an ongoing debate over whether it has any positive effect at all on non-profit organisational performance (Crittenden et al., 1988; Odom and Boxx, 1988; Webster and Wylie, 1988; Stone, 1989; Martin et al. 1992; Bielefeld, 1994; Kushner and Poole, 1996; Siciliano, 1997). More specifically, many have observed that INGDOs simply over use the word 'strategy', using it to refer to almost any grant, or any programme, that has been made with some purpose in mind.

They claim that the strategic plan will emphasise, it will provide guidance, but not have an immediate dramatic effect on how business is done. This article seems to be arguing that Strategic Planning in extreme detail can at best be useless and irrelevant and worse take the organisation down a path it might not want to go down – by planning in an ambiguous way we effectively 'win' no matter which options are selected and followed.

The strategic plan that was supposed to be being implemented was pushed somewhat into the background. It is perhaps unsurprising that strategic plans bear little resemblance to actual programmatic activities. (Harris et al) Broad consensus is required in order for good strategies to be formulated (Bryson, 2004). Real world strategic planning – the dilemma between all stakeholder needs – this review suggests that strategic planning because it needs to be kept sufficiently open – all the plans in it are ambiguous suggesting that it might be rendered useless It also questions how much of a consensus is needed from all stakeholders to formulate a plan – and leading into a discussion that might suggest a consensus is not useful.

One of the key features of the strategic planning process in Humanity USA (a non profit organisation in America) was that as participants responded to pressures real, and perceived, from donors, regulatory bodies, and competitor organizations, strategies frequently lost a lot of their sense.

Harris et al seem to believe that Not-for-profit organisations (NFPO) have to engage with a variety of stakeholders in order to formulate a strategy that has legitimacy – once this process was undertaken there is a real danger that the strategy appeals to no one stakeholder group and is non-specific.

There is a long-standing debate over how non-profit organizations change: as part of some evolutionary life cycle (Avina, 1993), as an incremental, politicised process (Wallace et al., 1997; Brinkerhoff and Ingle, 2004) or as a planned, deliberate action. This discussion infers that NFPO experience strategic drift more than other types of organisations – it then goes on to hint that this might not be relevant or indeed important. The questions we need to consider in looking at this document are (1) does strategy in a NFPO have to be complicated because of the views of all stakeholder groups? (2) does this matter? (3) and is strategic drift a necessary element to this type of organisation?

Strategy has therefore been conceived as a top-down rational plan for organizational change used by senior manager, (Porter, 1979; Williamson, 1981; Barney, 2001). However, formal strategies have also been viewed as part of an evolving strategy process that unfolds iteratively with some formal strategies discarded as others emerge (Mintzberg and Waters, 1985; Pettigrew, 1987).

Depending on which approach a particular organisation adopts it appears that Harris et al are saying there is no 'lose' or 'win' in either scenario – it is important to assess which of these has been adopted at Making Space and furthermore – does it matter?

Formal strategies, it seems, were used as a vocabulary through which managers could negotiate and communicate their deeper organizational concerns. (Pettigrew, 1987).

Furthermore managers should not interpret an apparent 'strategic drift' as an indication of the need to plan better, as this may lead to 'inflationary planning' and consume scarce resources. Whilst this view is helpful for a senior manager within one of these organisations there is a suggestion of an 'out of my hands' approach. It is argued that a nebulous strategy and strategic drift are as much a sign of weak market direction in this type of organisation as in a commercial private sector company

In *Strategic Management for Non-Voluntary organisations* it identifies multi-million pound organisations that are managing huge volumes of government and ultimately tax-payers money, in order to manage this professionally and responsibly it contests that it is more preferable to apply strong systematic and professional processes.

There is an against [strategic management] camp, who cite some of the reasons that voluntary non-profit organisations will lose their commitment to their traditional values (Jeavons 1992) and that strategic management is incompatible with the internal values and relationships of non profit organisations. They also cite that strategic management emphasises demand rather than need – this issue goes at the heart of this study.

Leat (1993) suggests that the main arguments in favour of using strategic management techniques include, that it increases a new discipline and efficiency and cost effectiveness in the organisation. This it could be argued would lead to more responsible distribution of any funding, although not necessarily. The other positive in favour of using the techniques according to Leat (1993) is that confidence will be raised in the organisation by the funders. The implication here is that the funders demand and favour organisations with these systems in place, therefore leading to a possible conclusion that the voluntary non-profit organisations simply have no choice, if they are to grow, but to apply strategic management techniques.

2.3 Responding to funders

The sector according to (Chetkovich, 2003) is subject to institutional pressures from commissioners (for greater accountability) and governments, as well as the promotion of strategic management consultants and network organisations.

Another contextual determinant is the stage of development of the organisation (Stone et al; 1999) Lumpkin and Dess note that, 'as organisations grow and mature and face more complex and multi-faceted environments, more complex decision making processes are required.'

2.4 Values/Social mission

There are features that all not-for-profit organisations retain, (Waddock, 2004; Hudson, 2004) say that, in comparison to private sector organisations, their values are of greater significance in the management of third-sector organisations.

In 'Value Led-Market Driven' by (Westhall, 1988) their [values] central importance is illustrated. The number of volunteers in Social Enterprises is often high. According to (Stone, 1999) most third sector organisations are coalitions of interest groups, each with their own, often divergent, priorities, constraints and power to influence negotiated strategies.

Pearce (2003: 38) Central to understanding the nature of third-sector organisations is the notion of a social mission.

Social Enterprises are more inclined to embrace a double or triple bottom line management philosophy and, therefore, seek to balance economic, social and environmental impacts (Elkington, 2004)

Skoll Foundation has a commitment to transformational social change (Alvord et al, 2004), and in contrast, private sector organisations will adopt a smaller, more achievable pragmatic approach to the vision.

A number of authors have suggested a differentiation strategy as being the best route for growth for third sector organisations. Their unique identity and pro-social values are often advocated as the basis for this differentiation.

Stone concludes that the overriding focus for non-profit organisations is securing funds from funders and understanding how to compete for these funds is what dominates.

Saunders et al (2009) claim that the not-for-profit sector has many different segments, the largest of which includes organisations that have a public interest objective, and are known as charities. These are typically organisations dedicated to improving the quality of life of specific groups of individuals.

Brandsen and Pestoff 2008 note that criticisms of the not-for-profit sector, specifically, regarding the fact that citizens are being seen as customers and that increasingly those citizens are being involved in the direction of their own care. She contests that some observers see this as even more evidence of privatisation of government services.

2.5 Growth and social aims

Billis and Glennerster (1998) argue that the lack of ownership in the third sector is what gives it a comparative advantage. This simply sets the context for the article and touches on the dilemmas that an organisation faces as it balances the need to grow and develop whilst staying true to the need to stay true to their social aims.

Some literature focuses on small non-profit organizations and reveals two almost paradoxical themes. First, small non-profit organizations would benefit from adopting a business perspective and from using many of the business tools and management solutions developed in the private sector (Butler and Herman, 1999; Lindenberg, 2001; Paton, Foot, and Payne, 2000; Standley, 2001; Young, 2001a, 2001b). Second, non-profit organizations are sufficiently unique that many prescriptions for success developed in the private sector are either inappropriate or extremely difficult to apply because of resource or training limitations (Bozzo, 2000; Lindenberg, 2001; Zimmermann and others, 2003). This apparent paradox encapsulates the nub of the issue reviewed in this dissertation.

Although academics and leaders within the non-profit sector may be “suspicious of both private and public sector techniques” (Lindenberg, 2001, p. 248), there is also recognition of the need to assess the potential applicability and benefits from adopting conventional business wisdom.

Non-profit researchers are also uncertain about the beneficial impacts of managing organisational culture. Unfortunately non-profit organisations face challenges in establishing a clear vision. Zimmermann and others (2003) documented “clarification of organisational philosophy” as one of the biggest challenges facing non-profits. Business scholars might disagree, but these researchers argue that non-profit organizations display more variety in the services they offer, the missions they profess, the consumers they serve, and the stakeholders to whom they appeal.

Courtney (2002) considers the long-standing concern amongst some people that voluntary non-profit organisations have become increasingly like businesses and have therefore been losing their distinctive identity and values as the boundaries have become increasingly blurred.

This concern begins to examine the fundamental question of the dissertation that by becoming business like the voluntary organisation has the potential to lose its original *raison d’etre*.

He continues that, for some, strategic management is just another commercial technique being foisted on an unwilling sector which is losing its soul.

What really excited reformers in the 1960’s however was the way in which voluntary care could extend and influence state welfare (Lowe 1993).

(Taylor 1992) explains that there is a danger that voluntary organisations that take on the role of mainstream services will become more like statutory service providers they were meant to replace.

(Lubelska 1996) suggests that ‘boundaries are definitely becoming blurred between voluntary organisations and the private sector’

There is also a view that the original so-called social aims of the organisations might be considered to be patronising, “there are also major critics of the philanthropic approach to social welfare.’ Hall, (1989) clearly against the concept, recalls, ‘indignities – what I would call the offensive social contempt’.

Drucker (1990) suggests that management was a very bad word in voluntary non-profit organisations. It meant 'business' to them, and one thing it was not was a business, indeed most people believed that it was not management'. Handy (1988) argued however that voluntary non-profit organisations needed to be more business-like and that when they were thinking about management issues, voluntary non-profit organisations 'would be foolish to throw the baby out with the bathwater because of an ideological fanaticism.'

It is argued that being business like and having and fulfilling social aims, making a difference needs not to be mutually exclusive.

2.6 Entrepreneurialism/Customer focused

(Brinkerhoff, 2000) notes that the last few decades there has been a notable trend towards effectively the privatisation of public services and is generally more efficient and effective than government.

She also notes that criticisms of the not-for-profit sector, specifically, regarding the fact that citizens are being seen as customers and that increasingly those citizens are being involved in the direction of their own care.

In a narrative construction of the social entrepreneurial identity, Jones et al discuss one of the more recent definitions of Social Enterprise is advanced by [Austin et al. \(2006\)](#), p. 2) as "innovative, social value creating activity that can occur within or across the non-profit, business, and public sectors". The key difference between Social Enterprise and 'commercial entrepreneurship' is that the generation of social value is the central driving mission for the former.

This publication can be used to illustrate that a charity/not for profit organisation might exploit employees with a view to making money and keeping money and does contest that, yes, they do lose sight of their social aims. Extremely harsh, black and white view about driving down wages makes no consideration for the fact that organisations have to remain competitive to win contracts to stay sustainable. They go on to comment that there seems to be a clear distinction between managers and employees. That managers make decisions based on different criteria and that in reality in terms of the 'strategy' and the 'social aims' there is a potential for this to be lost.

This seems to be suggesting a generalised viewpoint that ‘workers’ are the only group who have a moral compass – this has the potential to (a) insult management and (b) assume that all workers have a moral compass.

Social enterprise in the public sector. MetService: thinking beyond the weather (Verreyne and Luke) is a paper that considers the role of government in fostering entrepreneurial activity and economic development, thereby balancing social and economic objectives.

On entrepreneurship it comments that, while the economic benefits of entrepreneurship are widely accepted, less so are elements which define entrepreneurship and entrepreneurial activity. Such elements include opportunity identification ([Kirzner, 1979](#); [Shane and Venkataraman, 2000](#)), innovation ([Drucker, 1985](#); [Schumpeter, 1934](#)), acceptance of risk ([Busenitz and Barney, 1997](#); [Sarasvathy et al., 1998](#)), flexibility to act quickly ([Bhide, 1994](#); [Eisenhardt et al., 2000](#)), vision to see what is and what might be ([Hamel and Prahalad, 1994](#)) and reward through growth both financial ([Hitt et al., 2001](#)) and non-financial ([McClelland, 1961](#)).

At this point the paper seems to be suggesting that entrepreneurial activity can be channelled for something more than generating cash that the features that characterise an entrepreneur are all useful to achieve other things.

2.7 Government and entrepreneurship

Within the domain of government organisations, entrepreneurship has also been presented from a number of different and at times conflicting perspectives. [Linden \(1990\)](#) associates entrepreneurship within government with a deliberate search for innovative change. [Bellone and Goerle \(1992\)](#) refer to the generation of new revenue sources and provision of enhanced services through the involvement of citizens. [Osborne and Gaebler \(1992\)](#) suggest on-going innovation to achieve increased efficiency and effectiveness.

Continuing with the entrepreneurship theme it speculates about how government can make use of the elements of entrepreneurship in particular ways. Rather than it being at odds with government needs, it is worth exploring whether the true fulfilment of government priorities needs entrepreneurial activity.

In view of the empirical support ([Harding, 2004](#)) for the financial and social benefits of social enterprise, this paper re-examines the role of the public sector and considers its potential as a strong foundation for social enterprise through a review of three basic management principles: policy, privatisation, and practice.

By presenting the argument that government begins the entrepreneurial process the very idea that social enterprises have a choice is turned on its head, and for people in social enterprises who are uncomfortable with these practices and even worse feel that an organisation loses sight of itself in the process is totally contradicted and could conclude that a social enterprise might not survive without those clear tendencies.

As an alternative to entrepreneurial policy, increasing attention has been directed towards governments fostering entrepreneurial activity in practice. -([Wilson, 1989](#)), has perhaps contributed to the view that ultimately the role of government is to steer.

2.8 Marketing

The market orientation concept in the private nonprofit organisation domain

**Luis Ignacio A´lvarez Gonz´lez,* Mar´ıa Leticia Santos Vijande and Rodolfo Va´zquez Casielles
2001**

One of the main problems that marketing has had in its development in non-profit organisations has been an excessive internal orientation towards the offer.

This starts to pre-suppose that aggressive marketing or ‘promotion’ of the product offering is quite simply a leap that they make in order to promote – it is also hinting that this can often be done without any account being taken of the needs of the market – just simply a promotion of ‘what we do’ . This might lead us to believe that, as we consider the question, an organisation that follows just its original aims, promotes them and attempts to grow with this in mind might not be displaying an appropriate strategy – whereas as the organisation adapts its strategy or offer to the needs of the market at that time it is demonstrating a much more customer responsive approach and it could be argued fulfilling the real needs of society.

In fact, existing entities are still seen to be content with their non-profit offer, irrespective of what their beneficiaries or those whom they sustain economically may think.

We might begin to draw the opposite conclusion that an organisation that does not respond to the needs of the market – or adapts strategy is an organisation that does not continue to help and assist its target market.

In short, the essence of marketing is that it should begin with the ‘customer’, not the organisation.

It is critical in any organisation for the strategy to begin and end with the customer – the person – what do they want and need –so if this means adapting strategy that this the appropriate route.

Therefore, it has become necessary for the private non-profit organisation to adopt a marketing orientation centred on the ‘customer’.

This literature seems to be suggesting that the more that non-profit organisations employ professional marketing tools the more that they will genuinely respond to the needs of their customer rather than the rather simplistic view that the more professional an organisation becomes the more the further away they move from their social aims. Strategy is about direction and conversely no strategy it could be suggested indicates ‘no direction’.

The reality of this sector requires an integrated management by which the organisation shows a sensible attitude toward not only the beneficiaries, as customers of the non-profit action, but also towards other groups, such as resource donors.

According to these premises, non-profit marketing is defined as the management process of those inter-changes undertaken by non-profit organisations aimed at generating a social benefit to a specific sector of society. This suggests that there needs to be a social aim in order that an organisation can effectively market itself.

Furthermore, among the group of factors that may condition a private non-profit organisation’s relationship with its target market, its competitors should be considered first, as they represent an alternative of value for beneficiaries and donors.

This view is important because it illustrates the importance of remaining competitive in a market-place – even in non-profit organisations. A potential gap in the market is becoming focused on that ‘customer.’

A private non-profit organisation’s full market orientation requires that its adoption be made from the dual philosophical-cultural and behavioural perspective that defines it.

This seems to be drawing the conclusion that to behave with commercially appropriate tools and to still maintain the social aims of the organisation do not have to be mutually exclusive – the two approaches can co-exist.

2.9 Summary

The literature review indicates that the subject of third sector organisations and their ability or need to apply business skills to advance the organisation is something that polarises commentators.

In general authors agree that third sector organisations have increasingly applied business skills, such as enterprise, marketing and strategy – the debate comes when they consider the value of this in advancing the organisations in their social aims. In other words there is disagreement about the perceived value of this business orientation in a caring environment.

3. Research Methodology

3. Research Methodology:

3.1 Introduction

This chapter will focus on the research element of the dissertation. It will describe the research philosophy which has defined the approach to the project and also it will also describe the research strategy adopted.

The selected research philosophy has been dictated by the fact that there exists a pre-determined opinion about what the results will dictate and the research is being used to either prove or disprove the chosen stance.

Due to the nature of the question and the variety of targets required to gain a true picture careful consideration was given to the methods selected. In order to gain an understanding about how Making Space has responded to the strategic challenges it has faced during the last 27 years it was important to understand the history. This would set the context for the research and provide opportunities to draw conclusions about what a representative group of stakeholders felt about the organisation so a traditional questionnaire sample research proved not to be either necessary or appropriate. The strategy reflects the desire to get under the skin of the organisation not to gain a robust sample of current stakeholders i.e. employees.

3.2 Research approach and philosophy

The research design reflects a 'pragmatist' approach by the researcher in that the question is the most important part of the study. The piece of research is 'interpretivist' in that the conclusions which are drawn will be based on a collective of the individual views of each respondent and consideration will be given to their own role within the context of the organisation. By interpreting the research the dissertation is, as Fisher (2007) says 'attempts to understand the processes by which we gain knowledge.' The results are the results of subjective views of individuals, where as Burke (2007) says the participant's frame of reference is what is being sought from the researcher.

As a researcher it is imperative that consideration is given to three key things, firstly understanding the context of the question and then finding the most appropriate routes to the answer. The second is that the specific research methods selected will be critical in the quest to find the answer to the question.

Finally, due to the subject matter of the study and the fact that, in some cases, opinion is sought from people with mental health difficulties and their carers serious thought needs to be given to the ethical considerations in my study. It will be imperative that planning is careful, at the outset, how to gain permission and seek authority to engage with specific stakeholder groups.

The approach adopted is interpretivist in that the subjects of the research are human beings and their opinions, so they are social actors in the piece. The question will not be answered by using objects as the subject for research there is no physical proof, just the valid opinions and interpretations of involved players. Making Space has a range of stakeholder groups that are all literally 'stake holders' in the progression of the organisation, it is therefore dependent on the opinions of them to gain a picture about the answer to the questions

The target groups for the research are past and present employees to ascertain the context within which the research is being set and members (including Board members) who have a clear stake in the current and future development of the organisation and service users so that the experience by customers, against a context of significant income growth, can be understood.

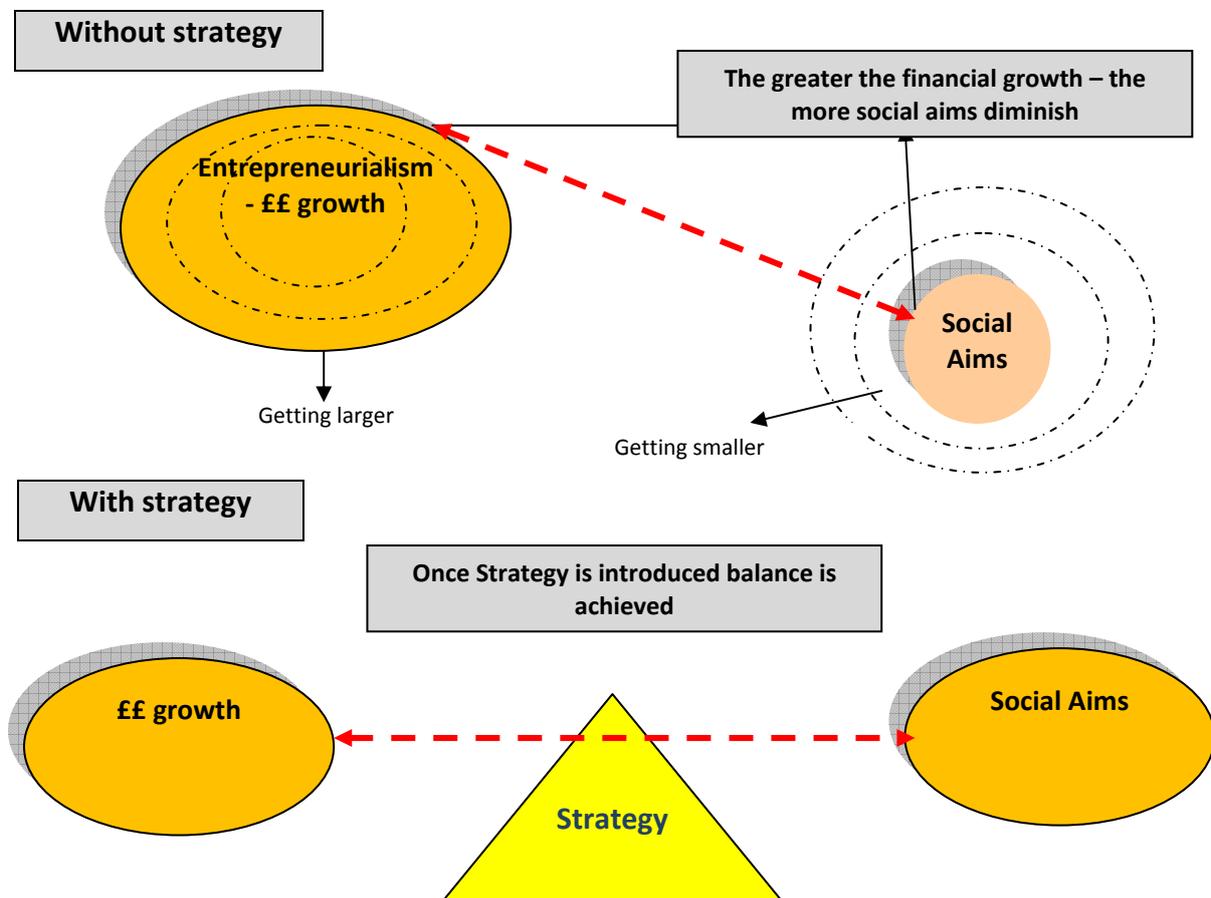
3.3 Conceptual Model

The conceptual framework adopted in this research uses the 'grounded approach' which, according to Glaser and Strauss (1967), allows the theory to emerge from the research material rather than being forced out by a pre-determined theory. This was the appropriate approach in this research because the results of the research are surprising to the researcher so had the researcher opted to apply a structured model there would have been some difficulty in demonstrating the model. Through analysis of the material the conceptual model has been created.

An alternative conceptual model was tried which involved each element (Social Aims; Entrepreneurialism; Strategy) only co-existing as equal sides in a triangle, this was dismissed because the researcher believes that, based on the research findings, the importance of 'strategy' is more prevalent.

The model designed, therefore, describes 'strategy' as being the balancing force or the fulcrum between Social Aims and Entrepreneurialism. It suggests that without strategy or planning an imbalance could occur at either end.

The Conceptual Model



3.3.1 Explanation of the Conceptual Model

In not-for-profit organisations the driving force at the outset is the social aims, the fuel that enables that growth is the way in which key stakeholders generate income to provide those

services. As the organisation grows and increases its income that growth might lead to an abandoning of the core reason for existing.

The conceptual model draws on the raw data of the research and creates a model (from scratch) that illustrates that without strategy an imbalance results. Once a degree of planning takes place and the holistic needs of the organisation are considered the organisation can balance the need to grow financially with the need to remain true to the vision of the organisation.

The consequences of not introducing strategy into the model suggest that growth might come but by driving revenue from any source. Ultimately this leads to a diminishing of social aims and ultimately the organisation. Likewise the same would be true if the organisation remains fixed on a particular service, but did not take into consideration the need to understand the most appropriate routes and the competitive landscape.

3.4 Research strategy and methods

3.4.1 Research Strategy

Once the question had been decided the range of research methods needed to assist in illuminating the issues raised.

The research strategy is qualitative and uses three ways to collect primary data, all of which is based wholly on recollections and interpretations of the participants.

The subjects would need to be people who were experts on the organisation (Making Space) and who have been witnesses at each point of its development – either when it was created as a response to a social need and now whilst it is a large, multi-million pound charity delivering range of services via a plethora of funding routes. The transition has taken place over 27 years so in order to gain a complete picture it was important that each type of stakeholder was questioned and that they were ideally people who had seen the full development – not simply a snapshot over a relatively short period of time.

A combined research strategy is used so that information can be collected in a variety of formats from each of the three different stakeholder groups. It includes the collection of

qualitative information through methodology that captures verbal and anecdotal information. It will also collect, through further qualitative techniques, such as semi-structured interviews and timeline, interesting information that will provide a background to the original mission of the organisation and the changes that have happened throughout the life of the organisation.

Opting for an interpretivist piece of research which is Delphi the researcher is justified in employing non-random sampling for each methodology.

3.4.2 Research Methods

3.4.3 Justification for selected methodology

By using an interpretivist approach in the research, the researcher remains wholly objective so that any views the researcher may have are not relevant and are excluded from the piece.

Stuter (2005) describes the Delphi Technique as the way 'to achieve a workable consensus within time limits.' The researcher was under a clear time constraint and was asking a group to arrive at agreement about a sophisticated range of themes. The strength of Delphi is that it makes use of what Krueger and Casey (2000:25) describe as 'information rich' participants, without having to compromise them as is sometimes the case in focus groups.

The nature of question dictates that a simple questioning of a group of the same stakeholder or target audience would not deliver a full and rounded answer. The researcher needed to find answers from a wide and representative range of stakeholders, the Delphi Technique combined with interviews helped facilitate this.

The methodologies selected are wholly appropriate because of the nature of the group of participants, each person, due to the style of Delphi was able to express their opinions freely in an anonymous environment and encouraged, particularly in the interviews, to describe the reasons why they have a particular view.

3.4.3.1 Research Method 1 - The Delphi Technique

This is a technique that provides a contrast to traditional focus group research in that it can be used to develop consensus, which can then be used to draw particular conclusions. It is

advised that the individuals do not meet, which suits the particular anomalies, lifestyles and working patterns of the target stakeholders selected for this research.

The method then means that the results are summarised as averages and then those results presented back to the panel for a 2nd round of questionnaires – they are invited to reconsider their personal judgement in the context of the collective view and make a new return. The first round of analysis assesses how much consensus was gained at the outset.

The idea is that by going through these stages the panel arrives at a consensus about a particular issue. The question posed in this assignment has the potential to polarise the views of the experts so as a research method could generate extremely interesting results.

Cuhls (1998) describes the Delphi Technique as something that requires a group of experts and needs a minimum of 2 rounds to begin to understand the result. It, Cuhls says, 'is a relatively strongly structured group communication process, in which matters, on which naturally unsure and incomplete knowledge is unavailable are judged by experts'. On the face of it this description of the technique might not appear relevant, but the fact that it involves diverse stakeholders with something in common and an informed opinion and knowledge about the question means it is.

If the aim of the research is to establish a consensus of opinion then questionnaires will not achieve this – they achieve a percentage of opinion – a consensus can only be gained by a diverse but 'in common' group agreeing on some fundamental issues.

Stuter (2005) contests that it actually manipulates but that the targets or subjects rarely acknowledge that this is the case. The facilitator, in this case the researcher shapes and steers the group towards a particular direction of thinking. In selecting this technique only one final view will be presented, the risk being run here is that one or a number of the representatives or subjects does not feel that their views are 'being represented' in true Delphi Technique the subjects will comply with this because as Stuter (2005) contests they simply feel, 'their views are not being represented.'

Referring to the philosophy that Delphi lends itself to, it according to Amos and Pearce, is subjectivist, transactional epistemology. It is subjective in that the realities accessed are only those in the minds of the respondents. The investigator and the object of the investigation are assumed to be linked with the 'findings' being the creation of the process of the interaction between the two.

In the research project being undertaken in this investigation, the researcher adopts the role of what Miller and Crabtree (1992) call the constructivist inquirer. Here the researcher performs 'an ongoing iterative dance of discovery and interpretation'.

The Delphi Technique recommends that the panel do not meet and also an option could be that each panel member is not aware of the individuals involved just the stakeholder groups to whom each member belongs. The researcher for this dissertation opted to apply each conditions.

3.4.3.2 Research Method 2 – Interviews

A small number of semi-structured interviews were undertaken. The semi-structured interviews provide an opportunity to probe answers and encourage the interviewee to elaborate or build on a relevant points as well as commenting on points of relevance not previously considered.

It is intended that this method could uncover some of the detail behind the views expressed and agreed upon and possibly provide some 'rich' content about the answers. These will ensure that the findings from this will be valuable and will further inform conclusions.

The selection depends on the issues that are most difficult to gain a consensus about. The interview questions were initially staged but there was always an intention to use the time and the questioning to further probe into more issues.

Interviewee selection was 'purposeful' based on the role the person plays in the organisation. The aim was to delve deeper into the thoughts on the issues, social aims versus strategy and then through stringent questioning uncover some key findings. By taking the

areas in the Delphi Technique and asking deliberately provocative questions, the interviews uncover the true feelings about the issues.

The interviews are a combination of telephone and face-to-face and there are a number of reasons for this. They include convenience – stakeholders or contributors are located in many parts of the country, including London, Lancashire, Manchester and other areas of the North West.

The interviews provide an opportunity to explore some of the themes that emerged within the Delphi rounds and to encourage a sample of the key protagonists to verbalise in some detail why they believe what they do. Through the semi-structured interviews the respondents were given the opportunity to describe their thinking and a background as to why they answered as they did in the Delphi rounds.

3.4.3.3 Research Method 4 – Timeline

Making Space has undergone great transformation since it was established 27 years ago. There are many individuals (Members; Trustees; Employees) who have strong feelings and views about the benefits and disadvantages of the rapid development of the organisation.

By using timeline, incorporating a simple high/low identification of events, two clear things were achieved which informed the results of the research.

Firstly, the researcher considered that the reflections would identify key landmarks in the history of the organisation and are used as markers to ascertain the events that signified the strategic shifts and secondly will, provided the recipients were representative, provided an interesting view point on behalf of the stakeholder.

A cross-sectional study has been selected as the most appropriate solution for this research proposal. It will provide a snapshot of how Making Space has changed and evolved strategically since its inception in 1982. It will also consider what factors are taken into consideration as the organisation has developed.

Timeline is a strong technique to elicit information from managers, professionals and customers. Quite simply by telling a story and being asked to flag the key positive events and negative events and reflect upon how that impacted on strategy had the potential to provide an illuminating description of Making Space's history.

To support the research strategy the researcher undertook a complete literature review which was used to understand contemporary thinking on third sector organisational management and corporate strategy. In addition it will also inform the design of the semi-structured interviews as well as the questionnaire.

3.4.4 Rejected methods

The researcher rejected questionnaire methodology as this would only gain opinion from one type of target group, for example employees or service users*

As Saunders et al (2009) explain questionnaires 'are usually not particularly good for exploratory or other research that requires large numbers of open-ended questions'. This study is seeking to draw very subjective views from a range of stakeholders so questionnaires were not appropriate.

*Service users in this context are people who have mental ill health, learning disabilities and dementia who may have used or currently use the support and care of Making Space.

Focus Groups were rejected in favour of Delphi due to the nature of the respondents it was felt that a degree of anonymity between the participants could deliver a more honest response.

Saunders et al (2009) observe that Focus Groups often in theory offer the opportunity for someone to 'have their say' but in practice the results are often a combination of 'non-attendance' and unreliable results. This they speculate is because participants do not always feel that they can describe their true feelings about a subject. In this dissertation, for example, involving the Chief Executive Officer, other participants might have felt reluctant to express real views in an open Focus Group environment.

Focus Groups were rejected also because of the potentially controversial nature of the answers required and also the unequivocal nature of the results needed to draw conclusions.

3.5 Research Design (Appendix 1 & 2)

Consideration is also given to the physical environment where participants gave their views. The researcher fixed upon methods where people were anonymous and able to contribute remotely. The members of the expert panel were selected and carried out in a completely confidential environment, each email was sent separately so each participant had no knowledge about other participants.

Each person on the expert panel was selected and approached separately and spoken to personally, the implications and the expectations of that person were clearly outlined and agreed at the outset. Each individual had a choice about whether they wanted to take part. (Appendix 3)

Due to the nature of the organisation being researched, permission from management was critical from the outset and this was agreed by the Chief Executive Officer at the start of the project. She was provided with the research question and the proposed research methodologies – all of which she agreed were appropriate for the stakeholder groups.

The stakeholders selected were all experts in at least one, or more of the issues raised in the questions – themes being ‘social aims’; ‘entrepreneurialism’; ‘financial growth’; ‘historic growth’; ‘current services and products’.

The questions and the methodology needed to be fair and not discriminate against the very people whose views were vital for the research.

3.5.1 Design of Instruments

3.5.2 Delphi Technique – Rounds 1 and 2

The method requires that the researcher establishes a group of ‘experts’ in the field of Making Space and its development. This group would be the subjects for the Delphi research and would remotely respond to, an initial, 20 statements based on the extent to which they agreed or disagreed with them. The researcher then records the first set of results and attempts to establish a consensus. Round 2, summarises the results and feeds back the areas where the ‘panel’ agreed and had gained consensus and then, identified the areas where

there was no real consensus. The issues were then developed further and the group were asked to challenge their own views in relation to the issue of concern – this would then effectively force the group to reach consensus.

The questionnaire includes a number of statements, where the recipients are asked to submit their judgements expressed as a preference in a pre-determined scale. (Strongly Agree; Agree; Neither agree nor disagree; Disagree; Strongly Disagree).

3.5.3 Semi-Structured Interviews

Following the analysis from Round 1 and Round 2 of the Delphi research, three key members from the expert panel were selected and used for the telephone/face-to-face interview (interview questions in Appendix 4). The interviews are designed to delve further into some of the answers provided and further develop some of the themes raised.

A representative from a number of the stakeholder groups was selected to carry out a face-to-face interview.

The interview questionnaire was delayed until data from both rounds of the Delphi Questionnaires had been collected and analysed. The questions and interviewees were selected based on what was beginning to emerge as consensus and also those areas where no consensus was reached at the first stage.

The scheduling of the interviews was to be after the participants had submitted their 2nd round of views for Delphi Technique.

The planning for the interviews took place during mid-April by phone and considered the working patterns and the preferences of each of the participants, the questionnaire contains 'open questions' deliberately designed to elicit some real qualitative responses.

3.5.4 Timeline

Data collection for Timeline took place over a number of months November 2009 – April 2010. It took place in number of settings, including management away-day, one-to-one informal interviews and secondary research such as historical records and annual reports.

3.6 Research Procedures

3.6.1 Process for selection

Having been pre-selected by the researcher the panel members were individually approached and had the project explained to them. Their identities remained confidential throughout the course of both rounds of the research and also the semi-structured interviews.

They each accepted the challenge and all were provided with the deadlines with which to return their answers. They were extremely keen to respond and the answers were illuminating. The deadlines in most cases were kept to, although a couple of reminders had to be given.

3.6.2 Semi-Structured Interviews - Process

The semi-structured interviews were carried out after the final results of the Delphi Research were received and analysed. All interviews took place during the end of March to mid-April, where each interview took place. The interviewees were selected, approached by the researcher then a scheduled time was allocated with each. There were three interviews, two took place face-to-face and the third was by phone and all were pre-scheduled. The process for the semi-structured interviews was as follows:

1. Final analysis of Rounds 1 and 2 of the Delphi Technique
2. Selection of 3 interviewees
3. Approach each one individually
4. Scheduled pre-arranged interview time and date
5. Carried out interviews

3.6.3 Timeline

The process of the timeline was a simple series of questions and interviews where particular people, who have experience and knowledge of the organisation over a long period of time, were asked to recollect what key events they recall – highs and lows.

3.7 Ethical Considerations

One major consideration in deciding upon the research techniques was the nature of a number of the stakeholders and their relationship with other stakeholders. Focus groups are a method of gaining views from a representative group of a number of stakeholders but are held in the physical presence of all people involved. Many of stakeholders, such as service users, people who might have mental ill health and of carers, have a clear idea about the way that Making Space has changed and developed but potentially took issue with some of the growth and would not want to compromise the care of themselves or their loved one.

4. Findings

4.1 Introduction

Once the research was undertaken it was important to describe the findings in detail from the questions.

Remembering that the research was an integrated strategy involving the Delphi Technique, which having established an expert panel asks that they arrive at a consensus view on the issue being broached in the question. The Delphi Technique reveals the answer to 20 questions over 2 rounds of questioning and had an aim to gain consensus about the issues, ideally enabling the researcher to conclude a view about Making Space.

The second research technique, semi-structured interviews explores in greater detail the key themes concluded in the first and second round of Delphi. This stage of the research begins to understand the evidence that leads the panel to believe what they do.

The third and final piece of the research was Timeline, which was a simple technique that allowed the researcher to analyse the history of the chosen organisation, Making Space, and assess its history wondering whether by looking at key 'highs' and 'lows' any conclusions could be drawn about its ability to balance strategic skills and entrepreneurialism whilst staying true to its social aims.

4.2 Analysis of respondents/non-respondents

The respondents were a group of people pre-selected by the researcher based on their experience and knowledge of Making Space. They were also selected because of an assumed ability, in the researcher's view, to assess the questions and come to an honest opinion.

They are 9 people and include:

- **Chief Executive Officer – Making Space**

This person has worked for the organisation for, in excess of 20 years and has been CEO for 5 years (check). She has worked her way through the ranks having been responsible for many of the residential schemes before becoming a part of the senior management team.

She has worked for the two previous CEO's and is herself a strong director of the organisation.

Educated to Masters Level she understands strategy and has led the organisation in its greatest period of growth.

- **Senior Director (Operations) – Making Space**

This person has worked for Making Space for 18 years and has also worked through the ranks of the organisation. She is now responsible for all Making Space services (200+) which are all audited and graded by external bodies such as the Care Quality Commission (CQC) and Quality Framework (QAF).

- **Service User – Making Space**

This person has schizophrenia and was a service user for Making Space for many years. He used to live in one of the organisation's supported accommodation. Before being supported by Making Space he was a journalist for a major national newspaper. He has now partly recovered moved back to London and is working as a representative for people with mental ill health.

- **Carer – Making Space**

This person is a full-time Carer for a son who has schizophrenia and is a life-long member of Making Space. This person is high profile in the world of mental health and has knowledge and experience of many other mental health providers.

- **Service User Involvement worker/Service User**

This person was a service user having suffered with mental ill health, he has now worked for Making Space for 2 years and his role is to engage with other service users to help make services better and for their voice to be represented.

- **Training Manager – Making Space**

This person has worked for Making Space for in excess of 20 years and in that time has undertaken many different roles for the organisation. She has seen many changes and has, by her own admission, not always agreed with the direction the organisation has taken.

- **Residential Care Homes Manager – Making Space**

This person is one of the organisation’s longest serving employees and is one of the senior managers looking after the highest quality of all of Making Space’s residential services. She has exacting standards, runs a highly profitable service and has been awarded by external bodies 3 Stars for her service.

- **Area Manager – Making Space**

This person is one of the Area Managers of the organisation and has worked for Making Space for 10 years. Formerly a policeman he chose caring and management as a second career.

4.3 Findings by research method

4.3.1 Delphi Research – Round 1

There were 20 questions in the questionnaire and each question fits into one of the three categories, strategy, entrepreneurialism and social aims.

Copy of the Questionnaire – Appendix 1

The first round asked 20 questions of the respondents that elicited the following results:

In the first round the expert panel reached consensus on the following questions.

They agreed that:

1. Making Space exists to support and enable everyone affected by mental health, learning disabilities and dementia to make life choices and take a full and active part in their community.
2. Making Space has been excellent at responding to what commissioners need in mental health services.
3. Making Space has a great track record in responding to the needs of people by coming up with really creative ways to deliver services.

4. Making Space needs to be more creative and more strategic to grow in the future.
5. Making Space is a professional organisation which applies commercial expertise to the growth of the organisation.
6. Making Space is as good as other mental health organisations at diversifying to capitalise on where funding is.

They also feel that:

1. Making Space has **NOT** always been and will always be an organisation that only works with people with schizophrenia and their carer's.
2. Making Space **DOES NOT** care more about making more money than making people better.
3. Making Space has **NOT ONLY** grown because it has been clever at spotting where government funding is being targeted.
4. Making Space has **NOT** grown by accident.
5. Making Space **DOES NOT** need to reduce quality to make more money in the medium term.

Findings

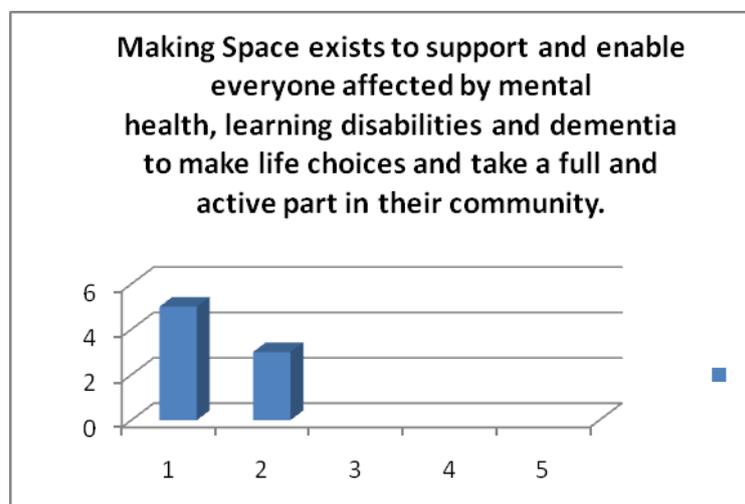
Delphi Questionnaire - Round 1

The graph with blue 'bars' illustrates the questions where the expert panel reached consensus in the first round.

Key

1. Strongly Agree
2. Agree
3. Neither agree nor disagree
4. Disagree
5. Strongly disagree

Chart 1



At its core this graph illustrates that the company's mission is ingrained, the group agrees with the statement. Immediately the research is showing that the group reached consensus about what Making Space stands for.

The graph below goes further and begins to question the group about how Making Space can respond to its customers. The group seems in agreement that this too is strength. Balancing this with the answer above already we are seeing a balanced picture.

Chart 2



The third graph below illustrates the group's opinion about the creativity or entrepreneurialism the organisation demonstrates – again a really positive response.

Chart 3

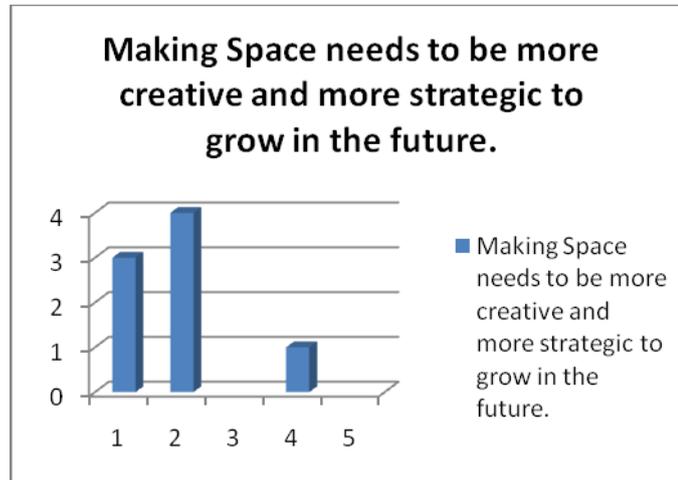


The group seems clear that Making Space has always responded to the needs of people by being creative, which is something that is critical in an entrepreneurial organisation.

Summary Results - Charts 1-3

Based on the answers of the first 3 questions the group reached consensus about Making Space's social aims and also the organisation's ability to respond to customers by providing creative services.

Chart 4



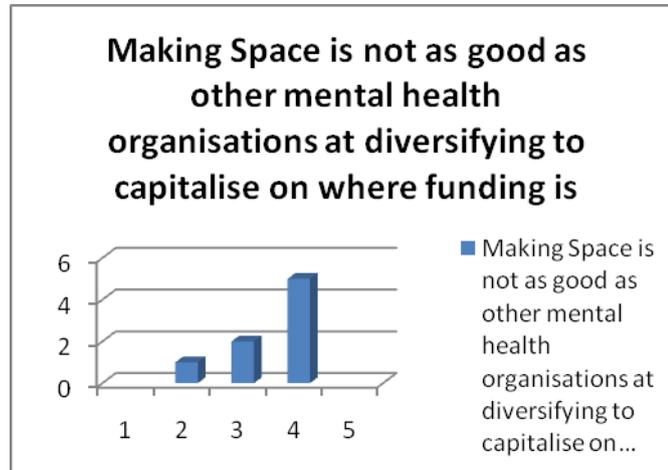
The views expressed in the answer to this question indicate a clear belief by the group that the organisation needs to change and get better at being creative and more strategic to continue to grow. This could suggest that complacency is setting in or that the company is focusing too heavily in the services it currently offers.

Chart 5



Whilst there is consensus about how professional the organisation is, a number of panel express doubt about whether it applies sufficient professionalism and commercial expertise to grow. This suggests again, like in question 4, that there are some doubts about sustaining the history of growth.

Chart 6

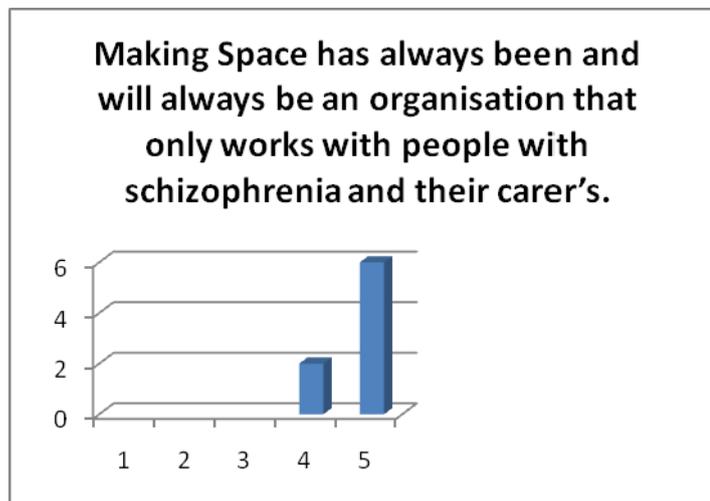


The panel seems undecided about whether Making Space is good at diversifying to capitalise on funding.

Summary Results - Charts 4-6

The last three charts illustrate that panel have doubts about whether Making Space is well placed now in its development to meet the challenges to grow in the future.

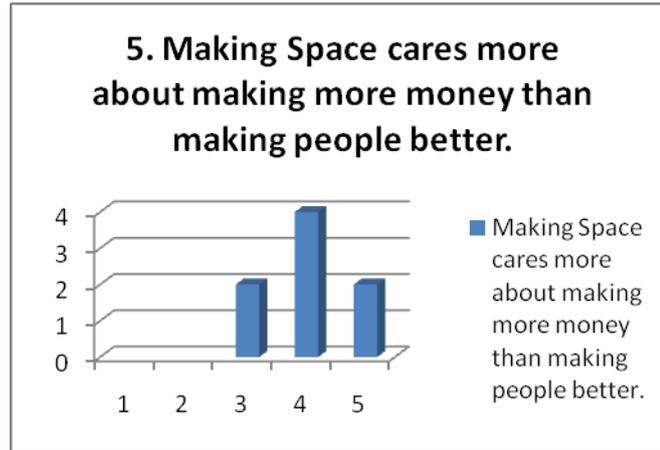
Chart 7



The next few charts reveal the areas where the group rejected the views expressed in the statement.

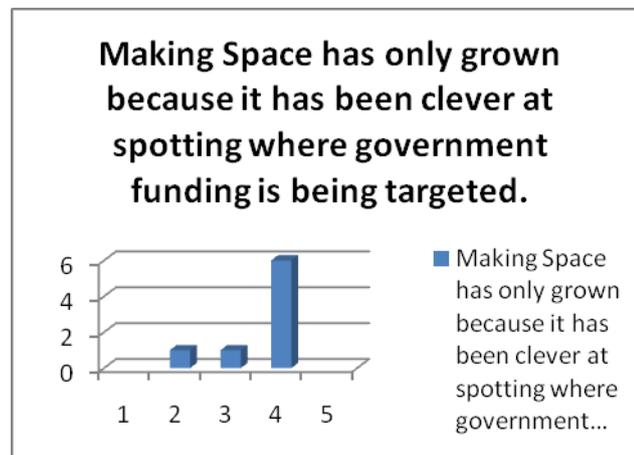
There is clear consensus that the group seems to reject the idea that Making Space exists only to help people who have schizophrenia. It seems to be suggesting that they believe the organisation offers more than this.

Chart 8



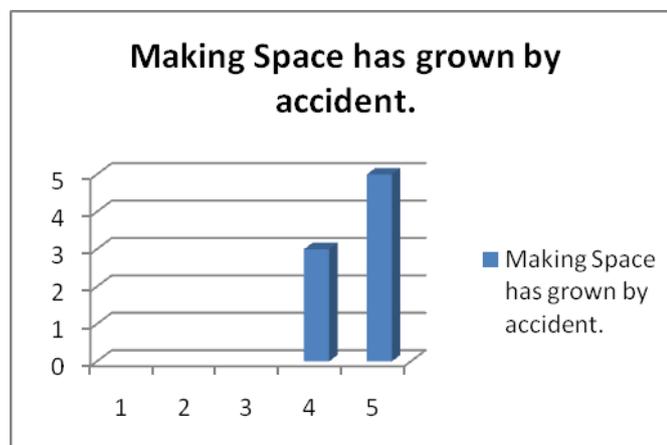
The clear consensus here is that the expert panel believes that money is **not** the main driving force for Making Space and that helping people to recover is something at least as important.

Chart 9



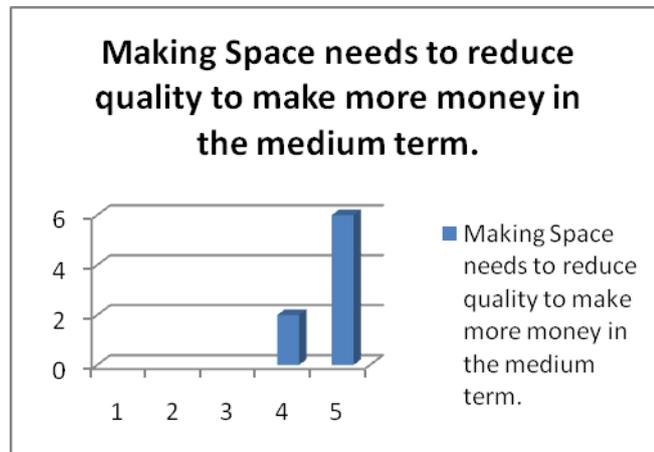
The panel is clear that they **disagree** with the statement, inferring that there may be other reasons why the organisation has grown – not simply spotting government funding.

Chart 10



The group was emphatic in its belief that Making Space’s growth was **not incidental** suggesting that planning and strategy had played a part in the development.

Chart 11



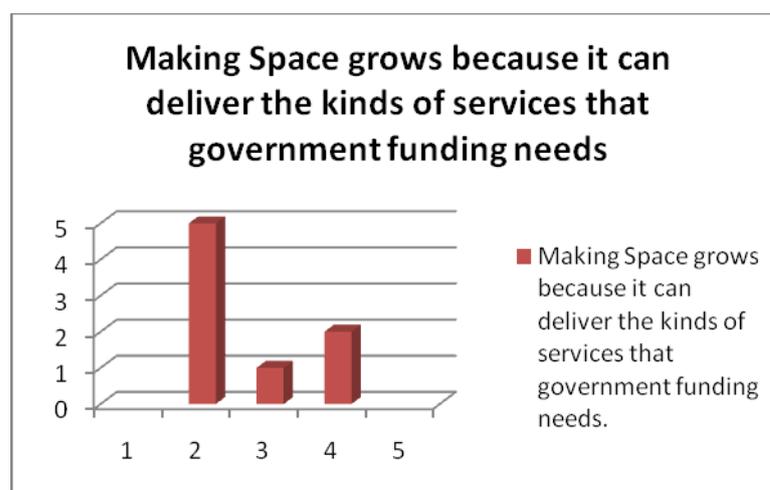
Probably one of the most unequivocal answers in the questionnaire – the group is clear that **growth should not come at the expense of quality.**

Summary Results Charts 7-10

The results here demonstrate the groups is united in its belief that quality should not be sacrificed at the expense of financial growth, that planning played a part in the growth to-date. But that there is some doubt creeping in as to whether people are as important as they maybe once were and that there is a perception that Making Space does not simply ‘chase funding’.

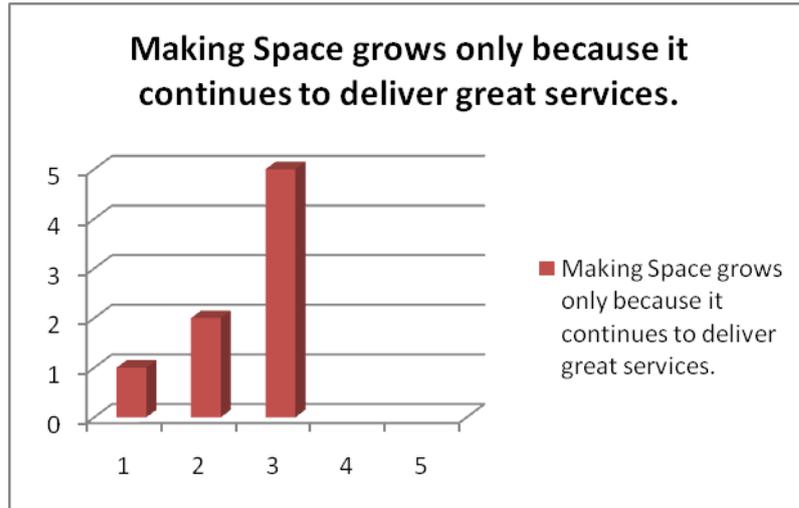
There were areas where the group was undecided and they were:

Chart 11



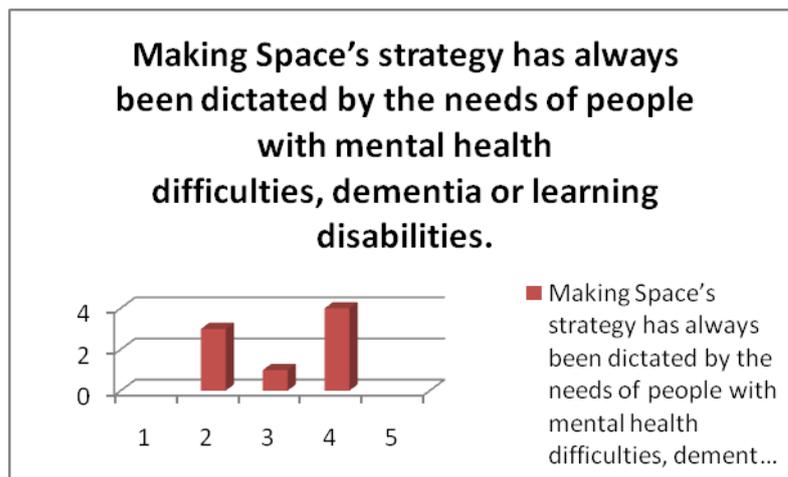
Leading on from this, the group seems undecided about the relationship between services and government needs.

Chart 12



The expert panel seems to be unsure as to the reason why Making Space continues to grow.

Chart 13



This answer reveals that the group did not reach consensus on this issue.

No consensus

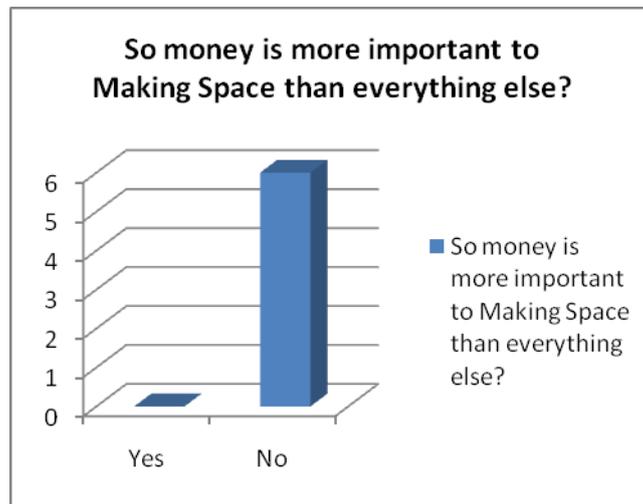
There were a further 7 questions (out of a total of 20) where the panel had a range of views. In order to reach a consensus the researcher undertook a second round of questions and by probing further, by suggesting some potentially controversial views the aim was to reach agreement. This proved a successful stage of the process.

The questions where there was no further agreement were as follows and directly underneath each one are the additional probing questions with their results.

4.3.1.2 Delphi Questionnaire – Round 2 (Questionnaire Appendix 2)

The graph with blue 'bars' illustrate the questions where the expert panel reached consensus in the second round. This was achieved by taking the initial question and probing further with more provocative statements. The idea was to encourage individual panel members to be unequivocal in their beliefs. In this round the researcher designed the questions to elicit a particular answer.

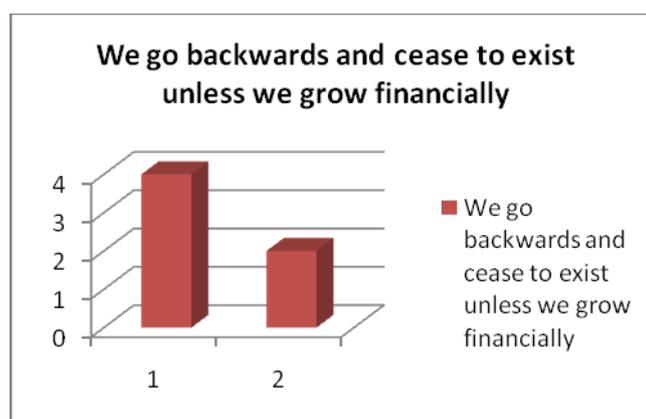
Chart 14



So once the group was pushed about Making Space's attitude to money, it was clear there are greater priorities in the view of the expert panel than simply the pursuit of money.

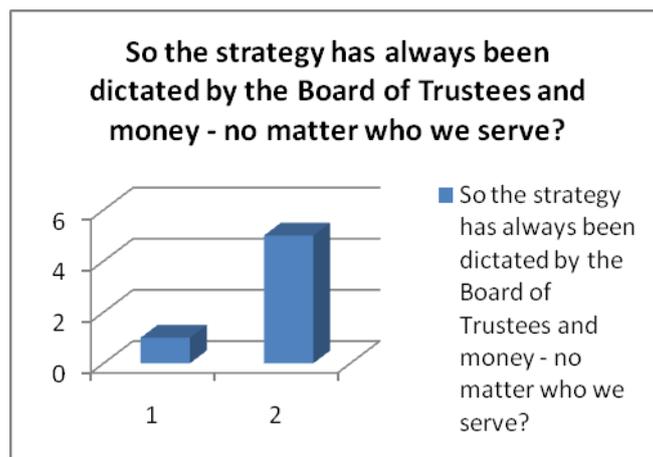
Consensus was not reached in a couple of the areas stage (b) of this questions is one example

Chart 15



The group is unclear about how much progress is made because of money or whether it would happen anyway.

Chart 16



In this question the group could not quite agree the influence that the Board of Trustees has on strategy, but generally it seems to agree that the Board does not define strategy as much as other issues.

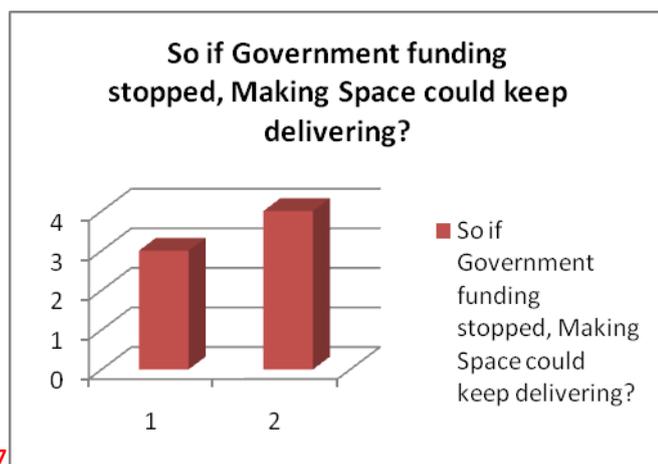


Chart 17

This is an area where the panel could not reach consensus even in Round 2. The dilemma they face is in speculating as to whether Making Space is an autonomous organisation that can continue to deliver regardless of how much of the income is provided through the public sector.

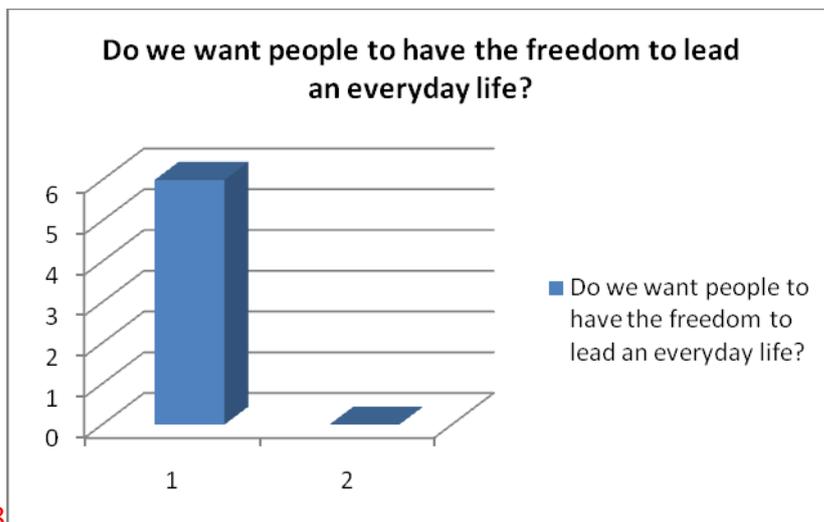


Chart 18

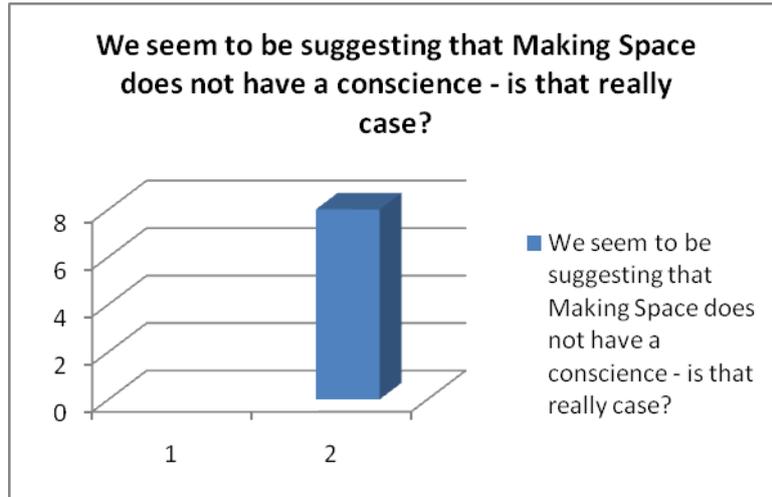
In Round 1 the group simply could not reach agreement about this, then in Round 2, once the question was framed in a 'closed' way the answer was clear – the expert panel believe that Making Space wants people to lead an 'everyday life'.

Chart 19



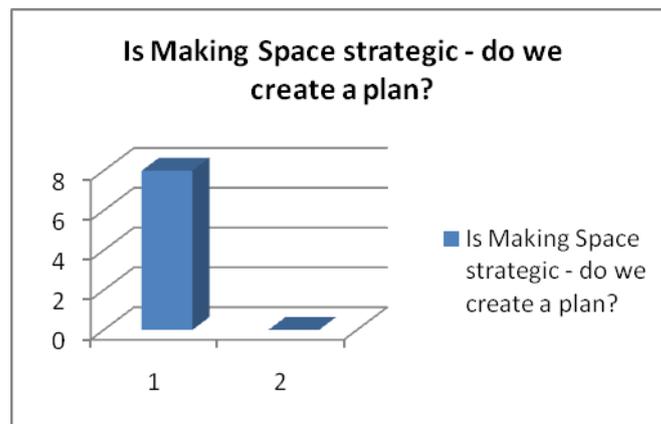
And then by being even more provocative and by challenging some members of the panel in their views, the panel came to a clear consensus – Making Space does not stop people leading an everyday life.

Chart 20



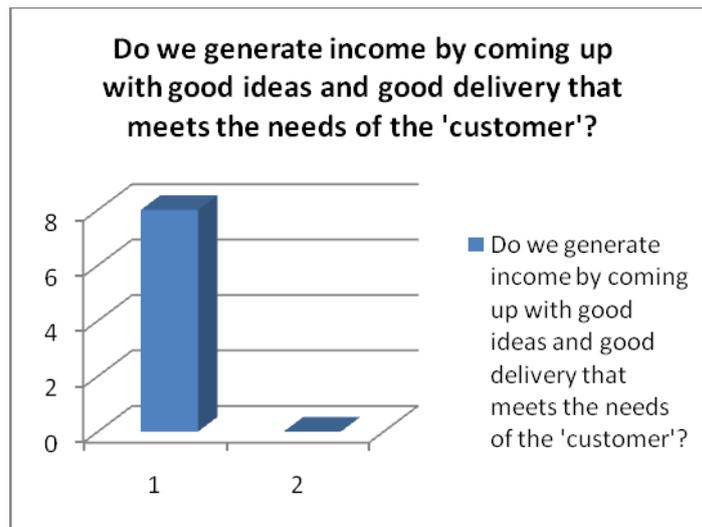
This question deliberately adopts a tone of incredulity, asks the question in a negative way – presents the opposite viewpoint and the group arrive at a clear consensus – Making Space, in its view has a conscience

Chart 21



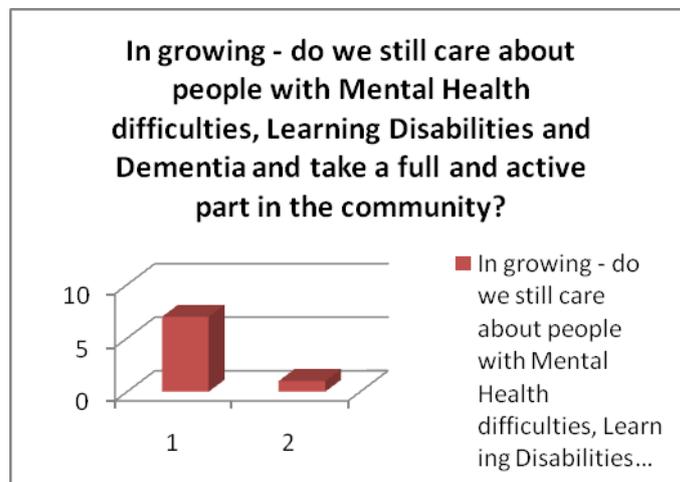
By defining the word 'strategic' as a plan – effectively removing the 'business' language the panel quickly recognises that Making Space is strategic – it does make a plan.

Chart 22



Again by 'couching' words about money and translating them into ways of helping the customer the group can begin to see how the money that Making Space receives is used for the good of the customer.

Chart 23



Interestingly in the final question the group did not quite reach a consensus, this was explored further in the semi-structured interviews.

4.3.1.3 Summary of findings

Final findings from the Delphi Research – Rounds 1 and 2

Following on from this, the questions and answers were group into the three groups that the dissertation aims wishes to answer. The results are as follows:

Strategic: The questions that, in the expert panel's view indicate how Strategic Making Space is.

The group agreed that:

1. Making Space is a professional organisation that applies commercial expertise to the growth of the organisation.
2. Making Space is as good as other mental health organisations at diversifying to capitalise on where funding is.
3. Making Space is a professional organisation that applies commercial expertise to the growth of the organisation.
4. Making Space has **NOT** grown by accident.
5. Making Space is strategic – that they make a plan

Social Aims: The questions that, in the expert panel's view, indicate how to what extent Making Space still retains its social aims.

The group agreed that:

- Making Space exists to support and enable everyone affected by mental health, learning disabilities and dementia to make life choices and take a full and active part in their community.
- Making Space **DOES NOT** care more about making more money than making people better.
- Making Space has **NOT ONLY** grown because it has been clever at spotting where government funding is being targeted.
- Making Space **DOES NOT** need to reduce quality to make more money in the medium term.
- Money is **NOT** more important to Making Space than everything else.
- The strategy has not always been dictated by the Board of Trustees and money – no matter who we serve
- Making Space is a mental health charity whose only aim is to help people have the freedom to enjoy everyday lives.
- Making Space has a conscience so finds it hard to respond to funding routes at the expense of other services.

Entrepreneurial: The questions that in the expert panel's views indicate how predisposed to being entrepreneurial (creative; customer focused; innovative) Making Space is.

The group agreed that:

1. Making Space has been excellent at responding to what commissioners need in mental health services.
2. Making Space has a great track record in responding to the needs of people by coming up with really creative ways to deliver services.
3. Making Space needs to be more creative and more strategic to grow in the future.
4. Making Space has **NOT** always been and will always be an organisation that only works with people with schizophrenia and their carer's.
5. We do generate income by coming up with good ideas and good delivery that meets the needs of the 'customer'

There were two key areas where the group did not reach consensus they were,

1. If Government funding stopped Making Space could keep delivering?
2. In growing – do we still care about people with Mental Health difficulties, Learning Disabilities and Dementia and that they are supported to take life choices and take a full and active part in the community?

The semi-structured interviews used the results of the Delphi Technique Rounds 1 and 2 and the areas where there was no consensus to elicit more qualitative and speculative reasons as to why they group did agree what they and why they did not where there was no consensus.

4.4 Semi-Structured Interviews

4.4.1 Analysis of respondents

The respondents were selected from the Expert Panel used in the Delphi Technique. They were the following:

- **Chief Executive Officer** – Making Space (as per Biography earlier in Dissertation)
- **Service User** – Making Space (as per Biography earlier in Dissertation)
- **Service User Involvement worker/Service User** (as per Biography earlier in Dissertation)

This group was considered diverse and representative enough to provide some strong comment in the interviews.

4.4.2 Semi-Structured Interviews – Content (Appendix 4)

The semi-structured interviews were designed to enable the researcher to understand the reasons why particular views had been arrived at during the Delphi Process. The interview questions were grouped into the three areas which were those identified in the aims of the dissertation. The

interviewees were asked to speculate on why a particular view had been reached and tried to draw on their own knowledge and experience to cite examples of how a particular view manifests in Making Space.

4.4.3 Interview results

The interviews were designed to prove the views revealed in the Delphi research, so in a sense were simply asking for proof that what the panel believed to be true is true.

4.4.3.1 Aim 1 - Strategic

The service user believes that the organisation demonstrates that it is strategic because it has a Board of Trustees who established a set of aims of vision for the organisation and then share them with wider stakeholder groups, primarily employees but also members and others service users or customers. The Chief Executive Officer agrees with this view, she believes that the organisation creates a clear direction, again led by the Board of Trustees which is fed and passed through each stakeholder group.

She also believed that the Governance structure that the organisation operates contributes greatly to the feeling of it being a strategic or planning organisation. During her interview and at this stage, the Chief Executive also reflected on the past history of Making Space, she commented that the organisation used to be overwhelmingly entrepreneurial being managed in an autocratic style, that there needed to be some strategic thinking to be introduced in order that the charity survived. This view was further reinforced by other interviewees during the Timeline research process.

The third interviewee, employee and ex-service user, believes that Making Space demonstrates its effectiveness by again, a strong infrastructure and process. He reflected that, as an employee he observed and participated in Strategic planning meetings, he facilitated strategy groups for service users and he believed that the annual employee conference was a forum where all employees were brought into the strategic planning process and were provided with clear information about the direction Making Space was heading.

4.4.3.2 Aim 2 - Social Aims

The expert panel agreed by consensus that Making Space remained an organisation that had a clear set of social aims and demonstrated this constantly. So in the interviews the researcher asked how this is demonstrated.

The service user, someone who is effectively a customer of the organisation, believes that the professional employed at Making Space exhibit 'genuine care for the clients they work with'. He also comments that Making Space demonstrates its desire to progress issues socially through its involvement and leading role, in many cases, in service provision. This interviewee believes that Making Space is at the 'forefront of provision'.

The Chief Executive, when asked this question, answered from the perspective of management so she describes what she considers to be a culture of listening and accessibility. She also speculates from her own perspective about issues that she becomes angry about and they all related to unfairness or lack of quality in service delivery. So she gives examples of such things as, managers leading by example and showing respect to clients – e.g. if managers in our residential homes fail to knock before entering residents bedrooms she believes they should be disciplined. She explains that quality should be the norm not exceptional.

The employee believes that Making Space demonstrates its commitment to its social aims through its investment in service user involvement – in essence this area of the business does not generate income, but is genuine in its desire for the customers to drive and shape the way the organisation delivers its services. He also becomes quite passionate when he explains how ideas that management introduces are challenged if employees and clients do not believe they are appropriate.

This question was the one that generated the most passion in all interviewees.

4.4.3.3 Aim 3 – Entrepreneurialism

This question proved more difficult for the interviewees to answer this and I speculate on the reasons I believe this in the conclusions.

The service user described how he believed Making Space demonstrates how entrepreneurial it is by being competitive – he called it ‘keeping up with the Joneses.’ Whether this demonstrates entrepreneurialism it is not clear. He also hints that the organisation constantly adapts its service delivery because of a ‘constant hunger to be the best at what it does.’

The Chief Executive gives a more complete answer to this question, she believes that because of the constant market analysis we are able to adapt and respond to the changing needs and that historically Making Space has been small enough to change. She believes also that the fact that the organisation has moved from being a charity that just focuses on carers of people with schizophrenia to now being a charity that looks after people with mental health difficulties, dementia and learning disabilities in many different settings is further proof about its ability to be entrepreneurial.

The member of staff (Service User Co-ordinator) finds this question more difficult but does say that he believes this is demonstrated by the way that he observes employees in services who are able to identify funding opportunities and that the infrastructure is such (supportive and flexible) that people have the freedom to pursue any opportunities.

In addition to the focus on the three aims, the researcher wants to discover how the interviewees felt about predicting the future and how things might change in relation to the balance between being entrepreneurialism and social aims. The kinds of responses elicited were interesting.

When asked when the organisation will know if money is too important – the interviewees seemed to be saying that when quality standards slip and feedback becomes negative in all evaluation. The service user explains that a simple mechanism for checking would be that the agenda on the Board meeting money would be more important than other issues.

4.5 Timeline

The final piece of research is Timeline which is where the researcher wants to understand the history of Making Space and how it grew from entrepreneurial small organisation to being a large multi-million pound not-for-profit organisation.

The results are in table 1.

4.5.1 Results

Table 1

Timeline

For the timeline element of the research, the researcher interviewed the following:

- Three Regional Directors
- Executive Management team
- Training Manager

Total 8 people

The table tracks the results of the ‘timeline’ interviews.

Date	High	Low	Observations	Turnover
1982	David Lyne launched North West Fellowship – a breakaway charity from National Schizophrenia Fellowship		An exciting time – a mental health charity acting on behalf of carers and service users . At this time was an organisation for ‘Carers’. Popular but Autocratic management style	£25,000
1983	Received funding from Allied Dunbar – boosted income			£30,000
1984	Company began to grow – membership grew to 3,000. Established some new and innovative services ‘Carer	Management culture ‘bullying’ and demanding	Organisation growing feeling more entrepreneurial – but starting to bring	

	Support' and 'Day Services.'		disenchanted employees	
1986-1987	ADV/EPJ join (would later become CEO and a Regional Director) Numerous new residential services opened 121 employees		Organisation growing rapidly and responding to needs of the commissioners	£71, 878
1990	Became Making Space and incorporated Wigan, Wirral and St Helens(Community Care) Opened an office in Yorkshire		Started using business principles to acquire other organisations – clear about the offer	
1991	Work schemes introduced More employees NHS and Community Care Act introduced – Market Opportunity		Began to capitalise on the new funding that was available	£151,112
1992	Employee numbers grew and won 1 st tender presentation		Started to see the importance of being competitive	£307,221
1999	Changed strap-line – in response to market opportunities lost the word 'schizophrenia' Board of Trustees developed	David Lyne leaves – Ian Rush new CEO replaces him – unpopular manager although did appear to introduce some innovative services such as workers to support people in Black & Ethnic minority groups	Fundamental difference in the organisation – significant growth but began to feel like a different organisation. Losing certain elements of the organisation that was fundamental to the growth.	£5.6m
2000		Making Space – changed logo – unpopular decision	The organisation was trying to compete in an increasingly competitive marketplace	
2001	Investors in People achieved – and the business was growing rapidly. Government funding increased.	Culture was changing – lack of trust – the organisation did not feel as warm and	Management was unpopular, income growing, but the 'old. '.	£6.8m

		collaborative	Interesting paradox between the changing culture and the ability to win awards that demonstrate a commitment to employees.	
2002	EPJ began as CEO and a new Chair started Political landscape began to change and politicians became more involved with the implementation of strategy		General feeling of change – the new regime felt businesslike and commercially minded but introduced a professionalism Employees were change resistant	£8.1m
2003	Care Standards Act introduced to care for people.	Lost a major grant Moved from being a regional to a national charity – seen as negative by employees, members and current service users and carers	General feeling that the Government is supporting people and Making Service is capable of responding.	£9.9m
2004	Launched the 1 st Independent Hospital Introduced Executive Management Team		General feeling of professionalism	£11-12m
2005	Making Space secured its place as one of the largest mental health providers in the UK by becoming the Chair of the Mental Health Providers Forum (a national partnership of organisations) Professionalism of the organisation care when an NVQ in Health & Social Care was introduced		The organisation felt increasingly distant from the entrepreneurial charity it began as.	
2006	Organisational restructure, new Regional Director posts introduced.		Organisation changing to reflect the growth and increasing professionalism.	£14.2m
2007	Charity changed its Memorandum and Articles to include Learning Disabilities and Dementia	Membership feeling uninvolved, an attempt by Board of Trustees to reduce the voting rights – it was defeated even	The organisation was being portrayed and succeeding as a well run, professional provider of services – internally, members	£15.7m

		though Members remain apathetic.	who had grown up with the company were becoming increasingly distant and resentful Service passion still remains strong	
2008	First dementia service awarded – an Independent Hospital		Extremely positive – large contract	£17.2m
2009	Acquired new contracts to the value of £3,000,000 – significant growth and acquired 2 new services (Gables Manor and The Limes)	New Reward Management system introduced – universally unpopular with employees created a feeling of unrest	Organisation on a major growth trail, but employees are difficult to engage in the change that is required	£21.2m
2010	Personalisation increasing	Massive funding cuts due to the recession – still an expectation by the Board of Trustees to grow the organisation	Employees having to respond to the new customer focused products	

4.6 Summary

Top 3 Highs

1. Launch of the organisation – established a clear vision or mission for the organisation
2. Appointment of EPJ as Chief Executive Officer
3. Acquired first Dementia service

Top 3 Lows

1. Management culture bullying
2. Appointment of 2nd Chief Executive
3. New Reward Management system

5. Conclusions and Recommendations

5.1 Critical evaluation of research methodology

5.1.1 Delphi Technique

(Dalkey and Helmer, 1963:458) claim that Delphi is the most 'reliable technique to gain a consensus of opinion from a group of experts...a series of intensive questionnaires interspersed with controlled opinion feedback'.

The Delphi Technique was selected by the researcher because it meant that views could be gained from a cross-section of stakeholders. The researcher found the technique straight-forward to execute and also analysis of the results was simple. The researcher found that the expert panel were easily managed, delivering their results usually by the deadlines.

The area where the technique is questionable for the researcher is whether the contributors selected could actually be described as 'experts.' The dictionary definition of the word is 'somebody with a great deal of knowledge about, or skill, training, or experience in, a particular field or activity.' Each individual selected has significant experience and knowledge about the chosen organisation, Making Space, and are able to articulate their views in relation to the specific questions. The follow on interviews also demonstrated a real understanding about the issues and revealed a willingness to disclose evidence that supported those opinions.

The results of the technique were interesting in that in Round 1 the immediate consensus was 65%.

The size of the expert panel was established based on recommendations however in hindsight this could be larger, nearer 15 in number, which would feel like a greater consensus.

In terms of the members of the expert panel, they were the appropriate people with the right levels of knowledge and expertise, it would be preferable however to include a further group and that would be commissioners. This is a group that might offer, in some cases a more controversial view. The researcher selected the group on the basis that it would offer a complete spectrum and

potentially conflicting views. This in many cases did not happen, and whilst it made the process simpler, the levels of consensus agreed in Round 1 were significant (65%).

Possibly too many people who present a wholly subjective view about the organisation, even asking service user, we are effectively asking loyal customers.

By Round 2 the interviewer is keen to gain consensus and uses a more assertive and manipulative approach so presents the questions in a more provocative way. This is a valid technique according to Stuter (2005).

Several studies of strategic planning in non-profit making organisations have highlighted that strategic analysis tends to focus more on the requirements to satisfy funders than clients' needs. This appears to be at odds with the results of Delphi Technique where the expert panel could not reach agreement about the extent to which Making Space simply 'chases funding' furthermore the implication from the panel seems to be that strategy is not simply focused on this issue.

5.1.2 Semi-Structured Interviews

The semi-structured interviews were introduced to with an aim to further substantiate the position agreed upon during the initial research phase. As a tool they enabled the researcher to get under the skin of particular members of the panel and add some more detail to the agreements.

In describing interviews, Easterby-Smith et al. 2008; Robson 2002, explain that if an interviewee is able to 'talk freely' then a 'clearly focused discussion on the issues relevant to research topic' is unlikely to occur. Bearing this mind the researcher in this dissertation opted to create a fixed series of questions that would guide and challenge the interviewee in considering the issues – but that they were all 'open questions' so did allow the interviewee to, as Saunders et al (2009) describe, encourage 'extensive and developmental answers' and to 'reveal attitudes and facts'.

In practice the results of the interviews were moderately informative however one of the interviewees was uncomfortable articulating their views and therefore the content from that interview was limited, also inevitably the views of the interviewees were subjective.

As the researcher had only opted to interview three individuals from the expert panel this severely diminished some of the potential quality information.

The researcher opted to record the interviews in writing as none of the interviewees wanted to be recorded.

In hindsight the semi-structured interviews could have been greater in number but the decision to select from the expert panel and to attempt to gain a greater depth of information was appropriate.

5.1.3 Timeline

Timeline research technique was always selected to support the core methodologies and was intended to provide a context for the organisation chosen for research. The interviewees selected for timeline were wholly appropriate and sufficiently varied and reliable to provide a reflective account of the history of Making Space.

The literature review includes thinking that experimentation and learning over time are as important as periodic formal planning according this was demonstrated by the importance of Timeline review.

The challenge for the researcher was in recording the outcome of Timeline sessions in an easy-to-read format. The decision to opt for a table with the 'highs' and 'lows' of the history of the organisation was the best at the time although still not ideal.

The content arrived in the timeline research did however provide a useful background and colour to the rest of the research findings.

5.2 Conclusions about the research aims

5.2.1 Aim 1 – Financial Growth equalling caring less

In the literature review the researcher referenced the Skoll Foundation who contests that third sector organisations have a commitment to social change rather than smaller private sector organisations who adopt a rather more pragmatic approach. The research carried out for this topic

reveals that a large 'social' organisation remains committed to retaining social aims and the panel believes achieves this, whether this is a 'grand aim' or quite simply an achievable goal is questionable.

Linden (1990) suggests those organisations who chase government funding need to demonstrate innovation and entrepreneurship and Bellone and Goerle (1992) refer to a new generation of organisations that provide 'enhanced service through involvement of citizens', Making Space appears to be an organisation that illustrates this feature of new third sector organisation, the expert panel believe that Making Space does generate income by coming up with good ideas and good delivery that meets the needs of the 'customer.' Furthermore demonstrating the final point the panel agrees by consensus that Making Space needs to be more creative and more strategic to grow in the future. In the semi-structured interviews one of the interviewees highlighted as proof that the organisation cares that the investment in 'user involvement services' was strong – in fact this strategic move can also be seen as a means to generate new income sources and to adapt products and services according to the new needs of the market.

5.2.2 Aim 2 – Social Aims

Saunders et al (2009) believe that a third sector charity are 'dedicated to improving the quality of life of a specific group of individuals,' the results of the Delphi Research was unequivocal in that the panel concluded that Making Space was still a caring organisation. The key questions that achieved consensus were Making Space exists to support and enable everyone affected by mental health, learning disabilities and dementia to make life choices and take a full and active part in their community and that the organisation **DOES NOT** care more about making more money than making people better. This view was clarified in the interviews when all interviewees were most passionate about explaining the extent to which Making Space still cares.

5.2.2 Aim 3 – Strategy

Stone believes that strategy in third sector organisations is almost always dominated by an 'overriding focus' on 'securing funds from funders'. The results of the Delphi Round of research is unclear in this respect, the panel, even after 2 research rounds agreed that Making Space had not grown because they had been 'clever at spotting where government funding is being targeted', furthermore there was little consensus on the question, Making Space grows because it can

deliver the kinds of services that government funding needs, implying that Stone's theory does not apply in Making Space.

Courtney (2002) is suggesting that strategy is being foisted on an unwilling sector causing organisations to 'lose their soul.' There is no evidence in this research that supports this moreover the expert panel seems to agree that Making Space has adopted strategic techniques, and that it has **NOT** grown by accident and that they reached consensus that Making Space is strategic – that they make a plan. Then for the group to continue to agree that the organisation still cares is at odds with Courtney's view.

Understanding the role of 'business tools and management solutions developed in the private sector' sector (Butler and Herman, 1999; Lindenberg, 2001; Paton, Foot, and Payne, 2000; Standley, 2001; Young, 2001a, 2001b), is something that it seems Making Space has introduced effectively. The role of strategy it could be argued has enabled the organisation to grow, financially whilst clearly balancing the need to remain a caring organisation. Strategy is the leadership and planning that has led to this appropriate balance.

Increasingly as the voluntary sector is having statutory constraints placed upon it they lose their point of difference – that being that they are small enough close enough to the end user to make a difference to lives in a lean way. This is the paradox about the expectations that are being placed on third sector organisations.

5.3 Conclusions about the research question

In devising the question the researcher wanted to explore the link between, financial growth, social aims and strategy. This has been achieved in content although finalising the question and its exact wording proved more difficult. This had the potential to lead to a question that was too long and convoluted or a summarised question that did not quite encapsulate all issues.

In conclusion the question represented a compromise and summarised the issue for research.

Whilst most of the terminology adopted was accepted and easily understood by each panel member, one particular word, 'entrepreneurialism' was difficult for interviewees and contributors to understand.

The word is associated with traditional and in many cases, 'small' business, selling and money. The members of the panel therefore did not recognise any of Making Space's business practices as having anything in common with this. Actually the researcher interprets the word in its true definition, someone who uses 'creativity' to devise and find products that a customer might buy. Interestingly the panel agree that Making Space is an entrepreneurial organisation, it believes and concludes that Making Space has a great track record in responding to the needs of people by coming up with really creative ways to deliver services and that it generates income by coming up with good ideas and good delivery that meets the needs of the 'customer.'

5.4 Overall Conclusions

Courtney's (2002) view that as voluntary non-profit organisations have become increasingly like businesses, they have therefore been losing their distinctive identity and values, seems somewhat at odds with the findings in this research. There seems to be a clear indication that a company growing need not and indeed, in the case of Making Space, has not stopped its ability to care. In fact there is evidence that as the organisation has grown the belief is the company is at least as caring as it was from the beginning, but because of the need to deliver quality and to report into statutory bodies has become more professional and it could be argued able to deliver better quality services.

Fundamentally as government funding decreases it will become a commercial imperative that non-profit organisations ;'up their game' leading to a better more cost effective and focused delivery of government services to the audience.

Based on the review of available literature that an organisation in the third sector needs to fulfil government priorities it needs to demonstrate entrepreneurialism. The research analysis seems to suggest that Making Space achieves this.

5.5 Limitations of the study

The study examined one organisation that operates in a limited area of health. The organisation, although large, is not a market leader in the field of mental health and therefore it is unlikely that the results can be assumed to apply to the sector as a whole.

Although illuminating and enjoyable to execute the Delphi Research was limited and could have been broader in its selection of members of the expert panel.

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Appendices

7.1 Appendix I

Questionnaire

Dissertation for Catherine Murray-Howard

Introduction

This questionnaire seeks the views of a panel of experts in relation to the way in which Mental Health Charity Making Space balances the need to be entrepreneurial whilst staying true to its social aims.

Making Space has been established for 27 years and has grown from being an organisation that generated £150,000 income in 1982, to today £17,255,00 and employing over 700 people.

The expert panel is made up of individuals who represent the organisation in each of its facets.

The panel includes:

1. Service User
2. Past Service User
3. Carer/Member
4. Chief Executive
5. Director of Operations
6. Employee (Area Manager)
7. Training Manager
8. Service User Involvement Co-ordinator
9. Residential Manager

The statements in this questionnaire aim to get a consensus of views from the panel about:

- **Balancing the need to be entrepreneurial whilst staying true to social aims.**

Research Methodology

- It will achieve this by gaining the views of the panel on a variety of statements.
- The panel are remote from each other and have no idea what each other's answers are.
- The views will be gained over 3 rounds of questioning – each round will draw conclusions from the previous round and then re-phrase the questions.
- Ultimately the panel will reach a consensus.
- The panel will be asked to attribute a mark against the statements which equates to one of the following:
 - Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree

Responses

To what extent do you agree or disagree with the following statements?

7. Making Space exists to support and enable everyone affected by mental health, learning disabilities and dementia to make life choices and take a full and active part in their community.

(Tick one box only)

Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

8. Making Space has become an organisation whose financial goals outweigh the need to deliver high quality services to people with mental health difficulties, dementia or learning disabilities.

(Tick one box only)

Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

9. Making Space needs to grow financially to ensure it continues to deliver high quality services.

(Tick one box only)

Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

10. Making Space has been excellent at responding to what commissioners need in mental health services.

(Tick one box only)

Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

11. Making Space has always been and will always be an organisation that only works with people with schizophrenia and their carer's.

(Tick one box only)

Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

12. Making Space's strategy has always been dictated by the needs of people with mental health difficulties, dementia or learning disabilities.

(Tick one box only)

Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

13. Making Space's strategy is dictated by government funding.

(Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

14. Making Space cares more about making more money than making people better. (Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

15. Making Space is a mental health charity whose only aim is to help people have the freedom to enjoy everyday lives. (Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

16. Making Space has a great track record in responding to the needs of people by coming up with really creative ways to deliver services. (Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

17. Making Space has only grown because it has been clever at spotting where government funding is being targeted. (Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

18. Making Space grows because it can deliver the kinds of services that government funding needs. (Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

19. Making Space grows only because it continues to deliver great services. (Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

20. Making Space is not as good as other mental health organisations at diversifying to capitalise on where funding is. (Tick one box only)				

Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

21. Making Space has grown by accident. (Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

22. Making Space needs to be more creative and more strategic to grow in the future. (Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

23. Making Space needs to reduce quality to make more money in the medium term. (Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

24. Making Space has a conscience so finds it hard to respond to funding routes at the expense of other services. (Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

25. Making Space is a professional organisation which applies commercial expertise to the growth of the organisation. (Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

26. Making Space balances its strategic skills, entrepreneurialism and social aims well. (Tick one box only)				
Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree

Please complete the attached by **March 12th 2010** and return by email to:
Cath.Murray-Howard@makingspace.co.uk marking it Private and Confidential or by post to:
 Catherine Murray-Howard, (Private & Confidential)
 Director of Development,
 Making Space,
 Lyne House,
 46, Allen St,

Warrington,
Cheshire WA2 7JB

7.2 Appendix II

Questionnaire Round 2 Gaining Consensus Dissertation for Catherine Murray-Howard

Introduction

As you may remember you were an expert on a research panel where your views were asked in relation to the way in which Mental Health Charity Making Space balances the need to be entrepreneurial whilst staying true to its social aims.

The expert panel is made up of individuals who represent the organisation in each of its facets.

The panel includes:

10. Service User
11. Past Service User
12. Carer/Member
13. Chief Executive
14. Director of Operations
15. Employee (Area Manager)
16. Training Manager
17. Service User Involvement Co-ordinator
18. Residential Manager

The statements in this questionnaire aim to get a consensus of views from the panel about:

- **Balancing the need to be entrepreneurial whilst staying true to social aims.**

You gained consensus on 65% of the subject areas, however in order to submit the research it would be ideal if you could agree on 90% of the issues described.

This document describes the areas where consensus was reached and then in the areas where it was not I have asked further probing, sometimes provocative questions to get to agreement.

I would be grateful if you could reply by 16th April 2010.

Many thanks

Cath Murray-Howard

Responses FROM Round 1

There is a consensus no more discussion required

You agree that:

27. Making Space exists to support and enable everyone affected by mental health, learning disabilities and dementia to make life choices and take a full and active part in their community.
28. Making Space has been excellent at responding to what commissioners need in mental health services.
29. Making Space has a great track record in responding to the needs of people by coming up with really creative ways to deliver services.
30. Making Space needs to be more creative and more strategic to grow in the future.
31. Making Space is a professional organisation which applies commercial expertise to the growth of the organisation.
32. Making Space is as good as other mental health organisations at diversifying to capitalise on where funding is.
33. Making Space is a professional organisation which applies commercial expertise to the growth of the organisation.

Also you all feel that...

6. Making Space has **NOT** always been and will always be an organisation that only works with people with schizophrenia and their carer's.
7. Making Space **DOES NOT** care more about making more money than making people better.
8. Making Space has **NOT ONLY** grown because it has been clever at spotting where government funding is being targeted.
9. Making Space has **NOT** grown by accident.
10. Making Space **DOES NOT** need to reduce quality to make more money in the medium term.

You are all undecided about whether Making Space only grows because it continues to deliver great services.

Responses FROM Round 1

No Consensus more discussion required

There were 7 questions (out of a total of 20) where as a panel you had different views. In order to reach a consensus I have raised the issue then probed further in order to try to reach agreement.

The area where there was no agreement are in *italics*. The further probing offers some potential controversial views and asks you to give a YES or NO answer. (Circle Yes or No).

- A. *Making Space has become an organisation whose financial goals outweigh the need to deliver high quality services to people with mental health difficulties, dementia or learning disabilities. And Making Space needs to grow financially to ensure it continues to deliver high quality services*
 - a. So money is more important to Making Space than everything else?
Yes/No
 - b. We go backwards and cease to exist unless we grow financially? Yes/No

- B. *Making Space's strategy has always been dictated by the needs of people with mental health difficulties, dementia or learning disabilities.*
 - a. So the strategy has always been dictated by the Board of Trustees and money – no matter who we serve? Yes/No

- C. *Making Space's strategy is dictated by government funding.*
 - a. So if Government funding stopped Making Space could keep delivering?
Yes/No

- D. *Making Space is a mental health charity whose only aim is to help people have the freedom to enjoy everyday lives.*
 - a. Do we want people to have the freedom to lead and everyday life?
Yes/No
 - b. Our services stop people enjoying an everyday life? Yes/No

- E. *Making Space has a conscience so finds it hard to respond to funding routes at the expense of other services.*
 - a. We seemed to be suggesting that Making Space does not have a conscience – is that really the case? Yes/No

- F. *Making Space balances its strategic skills, entrepreneurialism and social aims well.*

- a. Is Making Space strategic – do we make a plan? **Yes/No**
- b. Do we generate income by coming up with good ideas and good delivery that meets the needs of the ‘customer’? **Yes/No**
- c. In growing – do we still care about people with Mental Health difficulties, Learning Disabilities and Dementia and that they are supported to take life choices and take a full and active part in the community? **Yes/No**

Cath.Murray-Howard@makingspace.co.uk marking it Private and Confidential or by post to:

Catherine Murray-Howard, (Private & Confidential)

Director of Development,

Making Space,

Lyne House,

46, Allen St,

Warrington,

Cheshire WA2 7JB

7.3 Appendix III

Dear [*panel member*],

Re: Member of Expert Panel – Catherine Murray-Howard MBA Dissertation

I write to request your help with the above matter. I am about to complete my third year of studying for my Masters in Business Administration. In order to qualify I have to complete a dissertation which includes a significant piece of original research.

I have chosen Making Space as the organisation for my piece of work and have chosen to research the potential conflict between strategic and financial growth and the need to remain an organisation that delivers high quality services to people with mental health difficulties, dementia and learning disabilities.

As someone who has knowledge of Making Space, I have selected you to become a member of the expert panel in order to gain a consensus of views.

Would you review the enclosed series of statements and then, by simply ticking the relevant box, indicate what you believe about Making Space.

I would really appreciate your help in this matter and assure you that your views will remain strictly confidential. I would really appreciate it if you could return your replies by email or post by 10th March 2010.

If you have any queries or concerns please contact me on 07736-551759 or email at cath.murray-howard@makingspace.co.uk

Kind regards

Catherine Murray-Howard
Director of Development

7.4 Appendix IV

Hi

Many thanks for responding to Round 1 of the research for the work I am carrying out for my Dissertation and for being such a vital part of my Expert Panel. The results were extremely interesting and for the most part a consensus was gained (65% consensus).

The aim of the research technique I have selected (Delphi) is to gain full consensus from the Expert Panel. In order to get this consensus I have to ask you to complete a 2nd round of questions about the areas where as a group you **did not** reach consensus – which was 7 questions from the original Questionnaire.

I have summarised the results in the attached document for your interest and also ask that you select Yes or No in the 2nd round of questions.

Completing the Yes or No element of this will take no more than 2-3 minutes and will be all the better for you simply giving your gut feel to the answer – sometimes too much deliberation can affect your ability to give your honest feelings.

As ever this is all completely confidential and it would be extremely helpful if you could send me your replies by **Friday 16th April** – if possible.

If you have any questions please contact me by email or on the mobile.

As ever many thanks, in anticipation for your support in this project.

Kind regards

Cath

7.5 Appendix V

Interview Questions

Dissertation for Catherine Murray-Howard

Introduction

As you may remember you were an expert on a research panel where your views were asked in relation to the way in which Mental Health Charity Making Space balances the need to be entrepreneurial whilst staying true to its social aims.

The expert panel is made up of individuals who represent the organisation in each of its facets.

The panel includes:

- **Service User**
- Past Service User
- **Carer/Member**
- **Chief Executive**
- Director of Operations
- Employee (Area Manager)
- Training Manager
- **Service User Involvement Co-ordinator**
- Residential Manager

I have selected 3 members of the expert panel to be interviewed so that some qualitative views can be gained in relation to the key issues.

Interview Questions

Panel Member:

Strategic

As a group you agreed that:

1. Making Space is a professional organisation which applies commercial expertise to the growth of the organisation.
2. Making Space is as good as other mental health organisations at diversifying to capitalise on where funding is.
3. Making Space is a professional organisation which applies commercial expertise to the growth of the organisation.
4. Making Space has **NOT** grown by accident.
5. Making Space is strategic – we make a plan

- How did we become strategic?
- What do we do that demonstrates it?

Social Aims

As a group you agreed that:

- Making Space exists to support and enable everyone affected by mental health, learning disabilities and dementia to make life choices and take a full and active part in their community.
- Making Space **DOES NOT** care more about making more money than making people better.
- Making Space has **NOT ONLY** grown because it has been clever at spotting where government funding is being targeted.
- Making Space **DOES NOT** need to reduce quality to make more money in the medium term.

- Money is **NOT** more important to Making Space than everything else.
- The strategy has not always been dictated by the Board of Trustees and money – no matter who we serve
- Making Space is a mental health charity whose only aim is to help people have the freedom to enjoy everyday lives.
- Making Space has a conscience so finds it hard to respond to funding routes at the expense of other services.

- How have we managed to maintain our social aims whilst becoming more strategic?

Entrepreneurial

As a group you agreed that:

6. Making Space has been excellent at responding to what commissioners need in mental health services.
7. Making Space has a great track record in responding to the needs of people by coming up with really creative ways to deliver services.
8. Making Space needs to be more creative and more strategic to grow in the future.
9. Making Space has **NOT** always been and will always be an organisation that only works with people with schizophrenia and their carer's.
10. We do generate income by coming up with good ideas and good delivery that meets the needs of the 'customer'

- How have we managed to remain entrepreneurial?

All areas

As a group you agreed that:

1. Making Space balances its strategic skills, entrepreneurialism and social aims well.

- Have we achieved the appropriate balance between strategy, growth and social aims? If so how?

Further Questions

- When will we know if money is too important and affects the growth of the organisation?

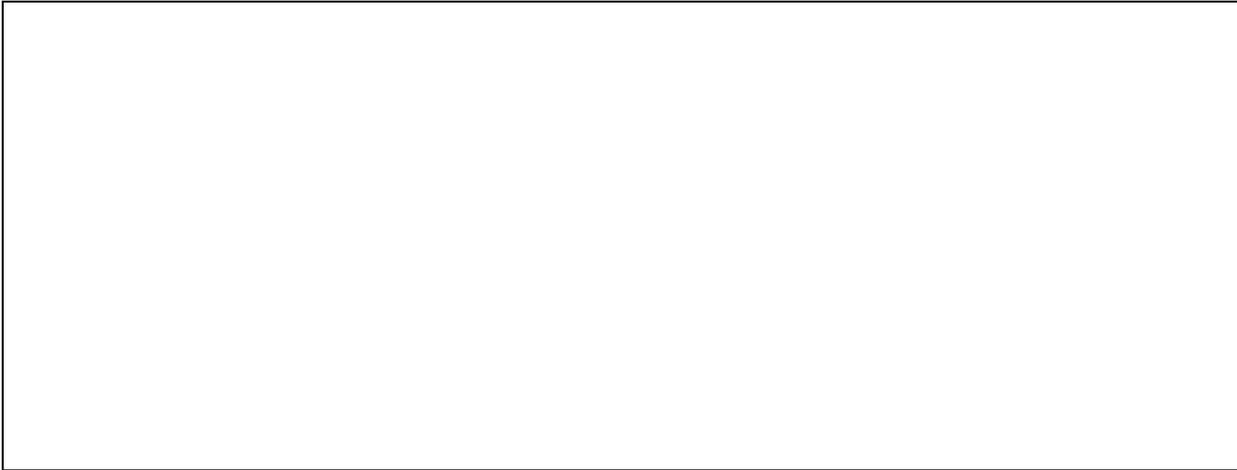
- How do we know that we still care? What tangible things demonstrate this?

- Is there a possibility that investment has increased because people are getting more and better services? If so what does this tell us about Making Space and its ability to manage financial growth against social aims?

- Is a big company growing better and more effective than a small and decreasing company?

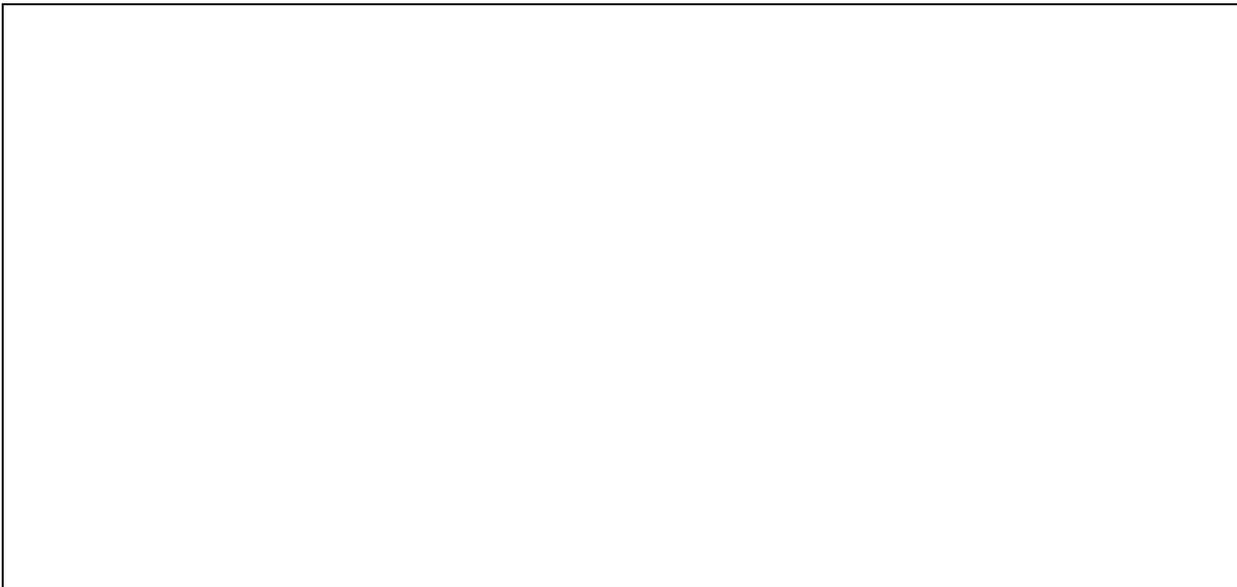
- We go backwards and cease to exist unless we grow financially? – No consensus
Can we discuss what you feel about this statement and speculate on why we believe that no consensus was reached?

- So if Government funding stopped Making Space could keep delivering? – No consensus
Can we discuss what you feel about this statement and speculate on why we believe that no consensus was reached?



- In growing – do we still care about people with Mental Health difficulties, Learning Disabilities and Dementia and that they are supported to take life choices and take a full and active part in the community? No consensus

Can we discuss what you feel about this statement and speculate on why we believe that no consensus was reached?



Cath.Murray-Howard@makingspace.co.uk marking it Private and Confidential or by post to:
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