

Immediate Release 02/11/06 – New nfpSynergy research...

SMALL IS BEAUTIFUL FOR CHARITY INNOVATION

AS 1 IN 4 THINK THEIR OWN ORGANISATION “TOO RISK AVERSE” AND 1 IN 3 FIND IT “OVERLY BUREAUCRATIC”

Plus: Half think “funding structures available to the sector” inhibit innovation; chief executives remain complacent

One in four (24%) charity professionals think their organisation is “too risk averse” and one in three (32%) think it “overly bureaucratic”, according to new research into third sector innovation released today. Moreover, the larger the organisation, the less impressed are its staff regarding its ability to innovate; the more senior the manager, the more complacent.

Innovation in the Voluntary Sector – a research briefing from leading not for profit sector think tank and research consultancy nfpSynergy - surveyed over 300 professionals from a wide range of charities about their organisations' attitudes towards, and procedures relating to, innovation.

Other findings are that 2 in 5 (38%) respondents agree “it is harder to get funding for ‘innovative’ projects than for well established projects”; almost half (47%) agree “the funding structures available to voluntary organisations [in general] inhibit innovation”; and 1 in 5 (19%) think “Charity Commission requirements inhibit innovation”. Moreover, whilst almost two thirds (63%) of chief executives feel “innovation is important in [their] organisation”; less than half (48%) of senior managers and over a third of middle managers (37%) and other staff (36%) do. And whilst less than 1 in 5 (18%) of respondents in organisations with turnovers less than £1m find their organisation “overly bureaucratic”, over 3 in 5 (62%) of those in organisations with turnovers in excess of £10m do.

nfpSynergy’s Driver of Ideas, Joe Saxton, said:

“This research should come as a wake up call to the entire third sector - not least to chief executives and trustees of larger organisations whose opinion of their own charity’s vision and ability to innovate often far exceeds the experience of those on the ground. It should also prompt funders and regulators to ensure their own procedures don’t stifle crucial innovation in those they seek to aid.”

INNOVATION IN THE VOLUNTARY SECTOR: IN FULL...

General

- 9 in 10 (90%) respondents agree that “innovation is important in [their] organisation”, half of them (45%) strongly; although 1 in 10 (10%) either disagree or are unsure
- Over 4 in 5 (83%) respondents disagree that “innovation is overrated”; although almost 1 in 10 (8%) agree with that statement, with a further 1 in 10 (9%) saying they are unsure

Pursuit of innovation

- 1 in 8 (13%) disagree that their organisation’s “project managers have responsibility for developing their own team strategies”; with a further 18% unsure
- 1 in 10 (10%) feel unable “to help shape their organisation’s strategies and services”; with a further 7% unsure
- 1 in 8 (12%) disagree that their organisation “actively encourages new ideas from staff”; with another 12% unsure
- 1 in 6 (17%) disagree that their organisation is “good at looking beyond its own four walls for solutions”; with a further 1 in 5 (20%) unsure
- 1 in 6 (17%) disagree that their “trustees are enthusiastic about pursuing innovative approaches”; with a further third (32%) unsure

Attitudes towards innovation

- 1 in 4 (24%) agree that their organisation is “too risk averse”; with a further 1 in 4 (24%) unsure
- 1 in 8 (13%) disagree that their organisation is “good at working in partnership with other organizations to meet the end users’ needs”; with a further 14% unsure
- Almost 1 in 5 (18%) disagree that their organisation “regularly reviews [their] services to ensure they effectively deliver what they set out to deliver in their organizational mission”; with a further 14% unsure
- 1 in 7 (15%) disagree that their organisation “treats ‘failures’ as learning experiences”; with a further 1 in 5 (21%) unsure
- 1 in 10 (10%) disagree that their organisation is “becoming more innovative”; with a further 1 in 6 (16%) unsure

Impact of organisational structure on innovation

- For better or worse, over half (52%) respondents agree that their “organisation’s projects are run by small, autonomous project groups”
- Almost a third (32%) agree that their organisation is “overly bureaucratic”
- Well over a third (36%) disagree that there is “good communication between their various offices, departments and staff”

Funding and innovation

- Almost 2 in 5 (38%) agree that “it is harder to get funding for ‘innovative’ projects than for well established projects”
- Almost half (47%) agree that “the funding structures available to voluntary organisations [in general] inhibit innovation”
- 45% agree that their organisation’s “budgeting structures inhibit innovation”
- 1 in 5 (19%) agree that “Charity Commission requirements inhibit innovation”

Staff’s own views on innovation

Generally speaking, the more senior you are in a charity, the more rosy your picture of your own organisation’s stance towards innovation

- Almost two thirds (63%) of chief executives feel “innovation is important in [their] organisation”; compared with less than half (48%) of senior managers and over a third of middle managers (37%) and other staff (36%)
- 3 in 5 (60%) chief executives feel “able to help shape [their] own organisation’s strategies and services”; compared with just 36% of senior managers, 14% of middle managers and 16% or other staff
- Almost a half (48%) of chief executives feel their organisation is “good at looking beyond its own four walls for solutions”; compared with just 20% of senior managers, 13% of middle managers and 21% or other staff
- Well over a quarter (27%) of chief executives think their trustees are “enthusiastic about pursuing innovative approaches”; compared with just 11% of senior managers, 14% of middle managers and 5% or other staff

Impact of an organisation’s size (by number of staff) on its staff’s own views on its ability to innovate

Generally speaking, the smaller an organisation (by number of staff), the more positive its staff’s view of their organisation’s stance towards innovation

- Three quarters (76%) of respondents in organisations with 1-25 staff think their organisation is “good at looking beyond its own four walls for solutions”; compared with just two thirds (65%) of those in organisations with 25-100 staff and 56% of those in organisations with 100+ staff
- Two thirds (64%) of respondents in organisations with 1-25 staff think their “trustees are enthusiastic about pursuing innovative approaches”; compared with just 54% of those in organisations with 25-100 staff and 44% of those in organisations with 100+ staff

- Conversely, just 1 in 7 (14%) of respondents in organisations with 1-25 staff think their organisation is “overly bureaucratic”; compared with 29% of those in organisations with 25-100 staff and 47% of those in organisations with 100+ staff

Impact of an organisation’s size (by turnover) on its staff’s own views on its ability to innovate

Generally speaking, the smaller an organisation (by turnover), the more positive its staff’s view of their organisation’s stance towards innovation

- 4 in 5 (78%) of respondents in organisations with turnovers less than £1m think their organisation is “good at looking beyond its own four walls for solutions”; compared with just 69% of those in organisations with turnovers between £1m-£10m and a half (50%) of those in organisations with turnovers in excess of £10m
- 4 in 5 (79%) of respondents in organisations with turnovers less than £1m think their organisation “treats ‘failures’ as learning experiences”; compared with just 68% of those in organisations with turnovers between £1m-£10m and 46% of those in organisations with turnovers in excess of £10m
- Conversely, less than 1 in 5 (18%) of respondents in organisations with turnovers less than £1m think their organisation is “overly bureaucratic”; compared with 19% of those in organisations with turnovers between £1m-£10m and 62% of those in organisations with turnovers in excess of £10m

Respondents themselves identified many obstacles to innovation, including:

- Lack of financial, technological and human resources to find the necessary space and time
- External regulation which creates excessive bureaucracy and diverts management time
- Lack of ambition, vision and business sense on the part of trustees and other key individuals
- Fear of the unknown vs. comfort of the status quo
- Disagreements between trustees and management
- Internal disagreements over a charity’s vision

Other verbatim comments from respondents concerning innovation

- “Innovation should not be used just for the sake of being innovative - it must have purpose”
- “Our organisation understands that old formulae for campaigns and action are not always the most appropriate”
- “Charities tend to have highly innovative staff. The challenge is to recognise and harness this energy.”
- “Innovation should not be imposed from without - it should be hard-coded into the very DNA of a successful organisation”
- “Sometimes the best initiatives are not ‘One Big Idea’ but a series of interconnected little ideas that reinforce the organisation’s values and service delivery”
- “The current economic system and short-term funding does not promote innovation or long-term growth”
- “Innovation should be the focus of the voluntary sector. There will never be enough resources to deal with all problems. Instead we should develop solutions to issues collectively, then share our success.”

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MEDIA INTERVIEWS:

To interview nfpSynergy’s Joe Saxton about *Innovation in the Voluntary Sector*, or for a full copy of the PowerPoint briefing, please contact:

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Notes to editors:

- **nfpSynergy**

nfpSynergy (www.nfpsynergy.net) is the UK's *only* think-tank and research consultancy dedicated to the charity sector and not for profit issues. It provides ideas, insights and information to help voluntary and community organisations thrive in an ever-changing world. Regularly harvesting the social and charity-related views of public and parliament, media and business - not to mention not for profit organisations themselves - nfpSynergy has a vast and ever-growing knowledge pool from which to extract and deliver insights.

- **Joe Saxton**

Joe Saxton co-founded *nfpSynergy* in 2002 after fifteen years experience in the voluntary sector, including as a director of the RNID (Britain's largest charity for deaf and hard of hearing people) and as a trustee of the RSPCA.

He is Chair of the Trustees of the Institute of Fundraising (www.institute-of-fundraising.org.uk) - the professional body for fundraising and the largest individual representative body in the voluntary sector, with 4000 individual members and 200 organisational members. Joe was recently named one of the hundred most influential people in UK social policy by *The Guardian* and has been repeatedly voted one of the ten most influential people in UK fundraising by *Professional Fundraising*, weighing in at the Number 1 slot for the last two years in a row.

A well-known and respected voice within the charity world and frequent face at sector conferences, Joe has contributed - via original research, opinion pieces and interviews - to a wide range of specialist and mainstream media, both print and broadcast, from *Third Sector* and *The Guardian* to *BBC Breakfast* and *BBC Radio 4*.

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