

HQ Imperialism or Regional Barons?

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September 2006

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Background

How well are HQ – Regional relationships functioning in charities in the UK today? Are charities achieving the balance between the need for central consistency and the need to tailor plans to national, regional or local contexts? Are charities effective in balancing the desire to be consultative organisations with the demand to get the job done?

These are the questions which prompted nfpSynergy to conduct new research among charity employees. This study represents a snapshot of how well charities' Regional – HQ relationships are functioning, according to charity employees. The aim of this study was to develop some 'hard' data on this important issue – the first public study of its kind in the UK that we are aware of. And the results highlight some worrying schisms and considerable room for improvement for many charities.

Sample

In early 2006, nfpSynergy conducted a number of in-depth qualitative interviews with sector professionals experienced in the realities of Regional – HQ relationships in charities. These interviews helped to shape the subsequent quantitative survey which was distributed via the nfpSynergy mailing list, via a range of our clients and via www.fundraising.co.uk.

342 charity employees responded to this survey. The profile of the sample included:

- **A mixture of HQ and non-HQ perspectives**
(40% of sample primarily located at HQ, 14% at National Office, 20% at Regional Office, 14% at Local Office and 8% at home)
- **A range of disciplines within charities**
(34% fundraisers, 30% working in communications, 30% in service delivery)
- **A blend of newer and more long-term staff members**
(18% have been in their job for less than 1 year, 36% from 1 – 3 years, 31% from 4 – 10 years and 16% 11+ years)
- **Primarily organisations with HQs in London**
(70% HQ based in London, 26% based outside London)
- **More medium to large sized charities**
(33% with annual turnover in excess of £50m, 25% £5m to £50m, 16% < £5m)
- **Organisations representing breadth of the sector**
(including children/youth/families, health/medical, disability, social welfare, overseas development, animal welfare, cancer, the environment and homelessness)

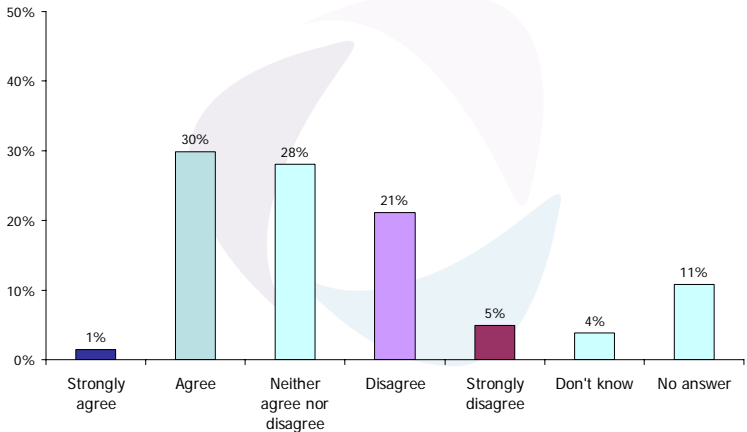
We have structured the findings of this research into 7 key conclusions drawn from the data and points of consideration for charities.

1. There is evidence of considerable disharmony between charity HQs and Regional offices

Suspicion and disrespect appear to be driving a wedge between some charity HQs and Regions. Half of all respondents say that both HQ and the Regions frequently lack understanding of what the other is dealing with. Over a third of charity employees surveyed feel there is a *'culture of mutual suspicion and disrespect'* festering in their organisations and less than 1 in 3 think their organisation has achieved the right balance between the needs of HQ and those of the Regions.

Less than 1 in 3 think their organisational structure has achieved the right Regional/HQ balance

How strongly do you agree with the statement: "The structure in my organisation has achieved a good balance between the needs of headquarters and those of the regions"?

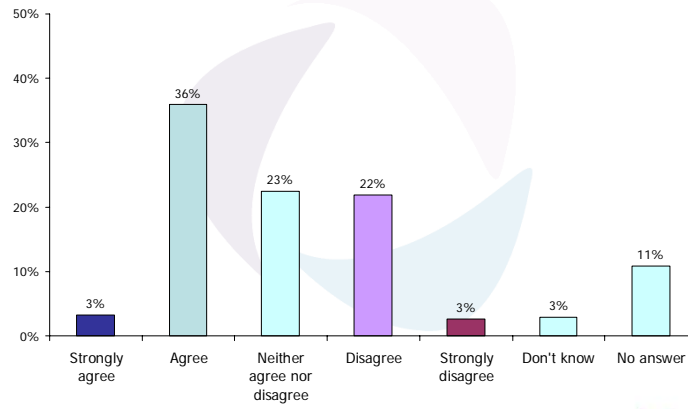


Source: nfpSynergy Regional – HQ Experiences survey
Base: 342 not for profit sector employees, June 2006



Less than 40% feel their organisation has good quality communication between HQ and Regions

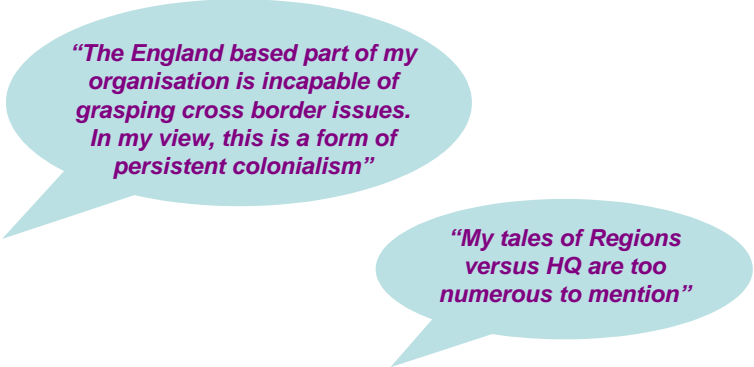
How strongly do you agree with the statement: "There is generally good communication between headquarters and regional offices in my organisation"?



Source: nfpSynergy Regional – HQ Experiences survey
Base: 342 not for profit sector employees, June 2006



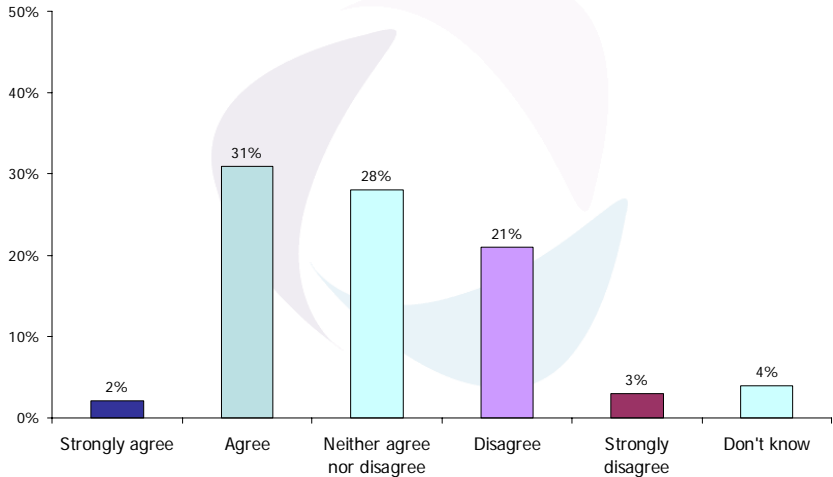
These findings highlight considerable schisms in some HQ – Regional relationships. The open-ended questions further highlight this point. 71 of the 342 respondents completed a general open-ended question and only 3 of these responses could be categorised as positive/neutral. The two quotations below provide a flavour of the nature of these responses:



There is further evidence in the startling finding that barely one in three respondents feel their organisation has achieved the right balance between being consultative and getting the job done. This is a particularly worrying finding at a time when stakeholders (particularly the general public) are demanding that charities be more effective, accountable and efficient.

Barely one in three are positive about the consultation/action balance

How strongly do you agree with the statement: “My organisation is good at managing the balance between being consultative/inclusive amongst the regions and getting the job done”?



Source: nfpSynergy Regional – HQ Experiences survey
 Base: 342 not for profit sector employees, June 2006



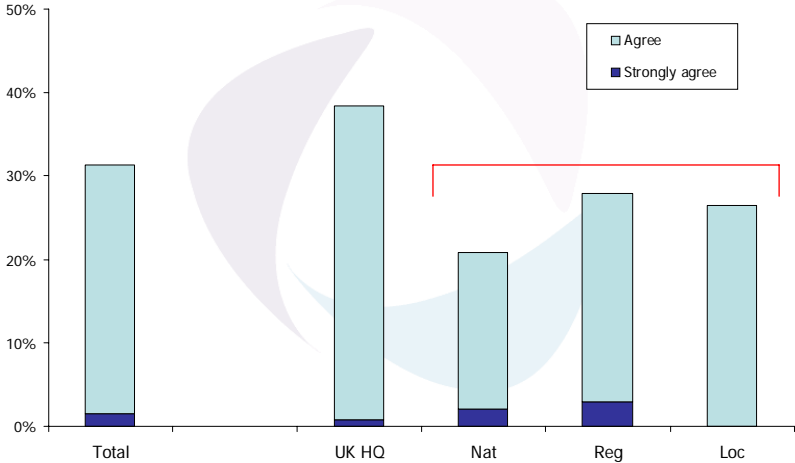
2. Dissatisfaction is particularly evident among staff outside HQ

Evidence of dissatisfaction is present in the findings from all audiences, including HQ staff, but is strongest in staff outside of HQ. They report feelings of being treated as second class citizens by their organisations and dissatisfaction with 'one way' communication. Across almost all questions we asked, staff outside of HQ reported higher levels of disharmony and unhappiness. For example:

Staff *outside* HQ are over twice as likely (35%) as staff *inside* HQ (16%) to disagree that "the structure of their organisation has achieved a good balance between the respective needs of HQ and regions."

Staff outside HQ more likely to feel their organisation has not achieved the right balance

How strongly do you agree with the statement: "The structure in my organisation has achieved a good balance between the needs of headquarters and those of the regions"? (by – where is your job predominantly based?)



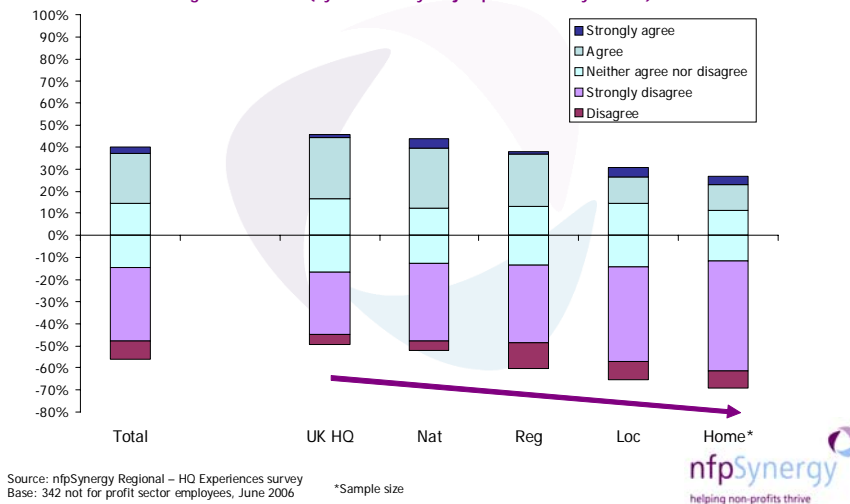
Source: nfpSynergy Regional – HQ Experiences survey
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Similarly, the further you move away from the HQ, the higher the proportion (32% HQ; national 39%; regional 47%; local 51%) disagreeing that their "HQ is excellent at understanding regional needs" becomes.

Higher proportion disagreeing that HQ is excellent at understanding others needs

How strongly do you agree with the statement: "My organisation's headquarters are excellent at understanding the needs of the national/regional offices"? (by – where is your job predominantly based?)



This dissatisfaction was particularly evident in the open-ended responses. The quotes below provide a flavour of how respondents felt:



Respondents to the open-ended question cited the following experiences as examples of how not to conduct Regional – HQ relationships (the opposite of best practice!). Admittedly, the respondents who completed this question tended to be located outside HQ and used the question to voice their concerns:

- HQ staff engage organisations in a region without consulting regional office
- Generate "UK-wide strategies" without consulting any one outside HQ
- View National/Regional/Local offices as merely there to implement the decisions taken in the Ivory Tower

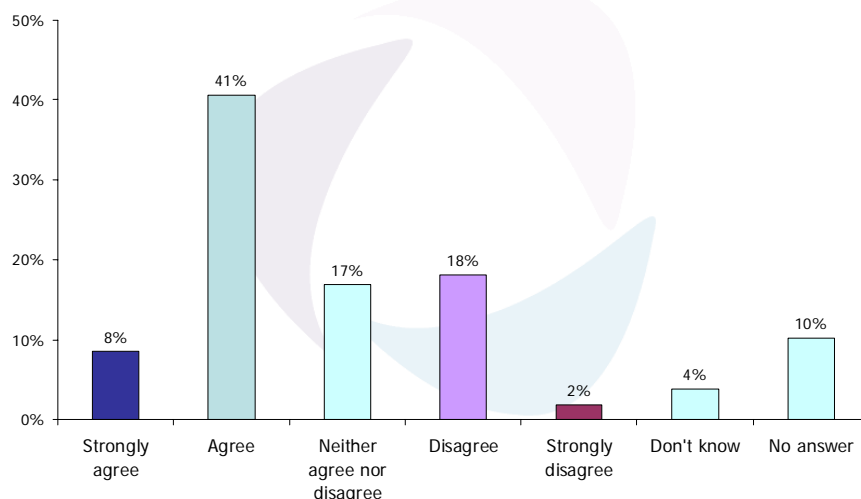
- Have all training/inductions at HQ
- Have 47 offices outside HQ but never dare to visit
- Produce comms materials that are inconsistent with regional/local context
- Be ignorant of geography e.g. mistake Cumbria for Cymru
- Pay 'lip service' to being consultative
- Be rude...
- Be silent about what works well (share best practice)
- Always view things through the lens of 'them and us'
- Be part of the problem but not part of the solution

However, it would be wrong to assume that staff inside HQ are satisfied with their Regional – HQ relationships or that the disharmony is only in one direction. For example, almost half the sample agreed that *“regions frequently fail to understand what headquarters is dealing with on a day-to-day basis”*

“I personally tried to get out and visit site offices but there did seem to be a general perception that I was there to check up on what they were doing”

Very similar proportions also 'pointing the finger' at lack of understanding by regions

How strongly do you agree with the statement: *“There is a frequent lack of understanding by the regions of what headquarters is dealing with on a day-to-day basis in my organisation?”*



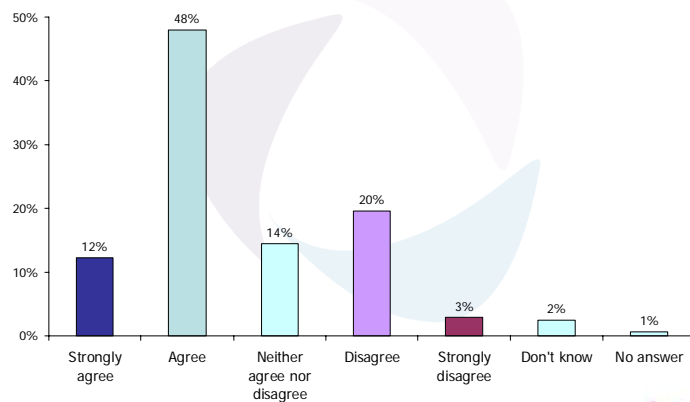
Source: nfpSynergy Regional – HQ Experiences survey
Base: 342 not for profit sector employees, June 2006

3. You can go through the motions without getting good results

Having identified that there is considerable room for improvement in charity Regional – HQ relationships, it is interesting to note that the charity professionals surveyed do not appear to be blaming their organisations for the deficiencies in these relationships. In fact, it appears that many organisations have taken important strides by putting systems in place which are designed to improve relationships and have endeavoured to ensure that staff feel united behind one overall objective.

6 in 10 feel all staff are working towards a common objective

How strongly do you agree with the statement: "Staff in both headquarters and the regions all feel they are working towards one common goal in my organisation"?

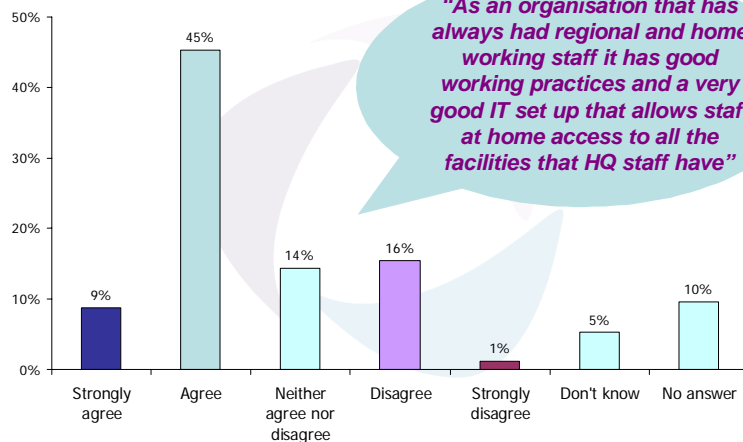


Source: nfpSynergy Regional – HQ Experiences survey
Base: 342 not for profit sector employees, June 2006



Evidence of formal processes in place

How strongly do you agree with the statement: "My organisation has a formalised system through which headquarters and regions can communicate"?

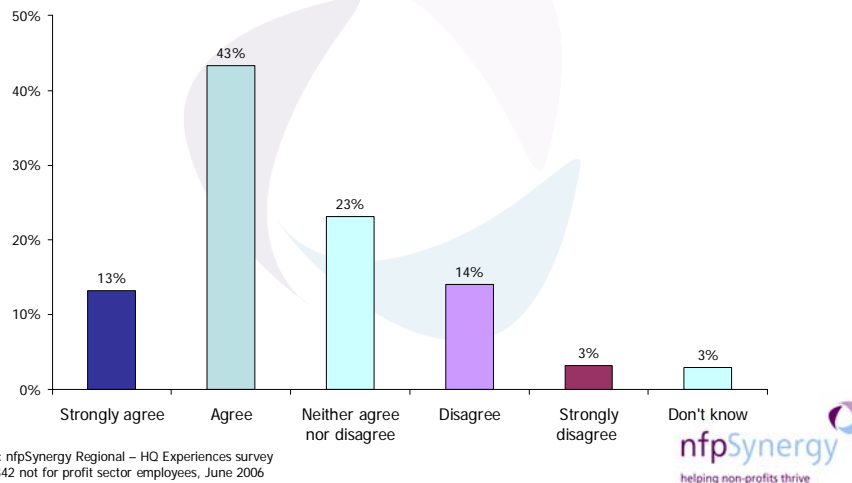


Source: nfpSynergy Regional – HQ Experiences survey
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More than 1 in 2 feel that their organisation has attempted to promote an inclusive and positive culture

How strongly do you agree with the statement: "My organisation has taken positive steps to foster a culture of understanding between UK headquarters and the regions"?



In that sense it appears that many charities have focussed on this potential banana skin and that it would be wrong to conclude that any disharmony stems from lack of focus. However, it appears that in many organisations these steps have not resulted in positive Regional – HQ relationship. Indeed, in this instance, some charities are going through the motions without getting results.

"Our national body is comprised of 47 independent, local trusts. In theory, it strikes the perfect balance between localised marketing and national economies-of-scale / coverage. In practice, it hasn't worked at all"

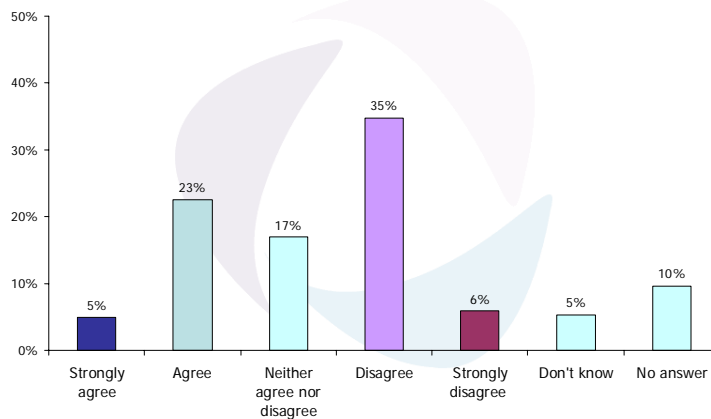
"Our organisation has put systems in place to address some of the issues raised in this survey, although it hasn't always invested in the necessary cultural follow-through to ensure their take-up"

4. Political devolution has not sated the demand for autonomy

In many arenas, including politics, there is a trend towards greater regional autonomy. The results of this research suggest that in some charities political devolution may have increased the demand for and expectation of autonomy in staff in national offices. Of course, it is perhaps impossible to be definitive about the optimal level of central consistency and regional autonomy. What we can see from these results is that staff in national offices appear to have expectations of greater autonomy than their colleagues in different locations.

Currently regions are not felt to be largely autonomous

How strongly do you agree with the statement: "In my organisation regions are largely given autonomy by headquarters to operate as they choose"?

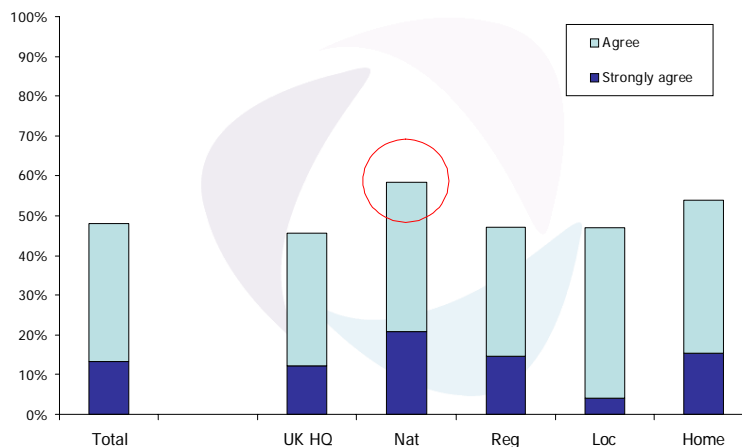


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Reasonably high across all groups

How strongly do you agree with the statement: "political devolution has made it increasingly important for my organisation's headquarters to give a voice to regional offices at senior levels"? (by – where is your job predominantly based?)



Source: nfpSynergy Regional – HQ Experiences survey
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5. The battle for volunteers is on

The previous sections of this report have highlighted that there is mutual misunderstanding between staff in HQ and staff in Regional offices – a point relevant to many different functions in the organisation and particularly pertinent to fundraising:

“Regional fundraisers are seen by HQ teams as “getting in the way”, amateur, brand-diluting and cost-ineffective. Apart from when there’s a Charity of the Year with a major corporate to manage or pitch for...then they’re the bees-knees.

RFs see HQ as chauffeur-driven egotists that know it all, too corporate minded, obsessed with strategy and over-paid. They’ll also argue that they are the “grass-roots” of the organisation and the minimal funds they raise are compensated for by their contribution to the Charity’s overall branding”

Related to this, the competitive nature of recruiting and retaining volunteers may be being adversely affected by suboptimal Regional – HQ relationships. Bridget Cluely, an advisor to nfpSynergy on this project, captured this point succinctly:

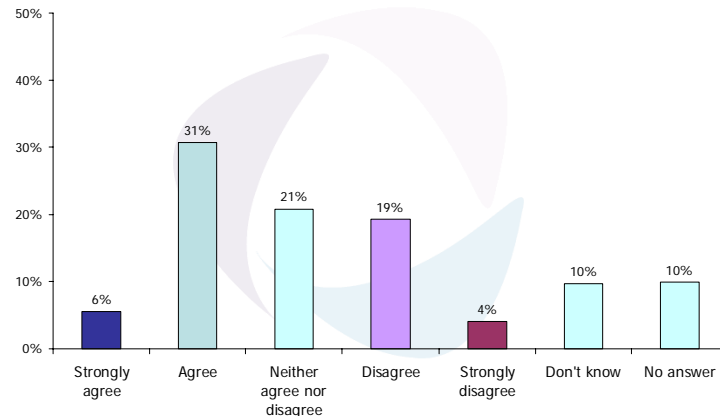
“If regional/local staff and HQ staff do not manage to interact effectively together then it’s likely that the needs of volunteers are not being met properly and any overall cohesion is undermined”

Expert Interview

Unfortunately for some charities, there again appears to be considerable room for improvement with regard to engaging volunteers – less than 40% of the sample feel their HQ provides opportunities for volunteers to communicate their points of view and fewer (34%) feel that these opinions are fed into the decision making process.

Volunteering without a voice?

How strongly do you agree with the statement: "Headquarters provides opportunities for volunteers to communicate their perspectives and opinions?"

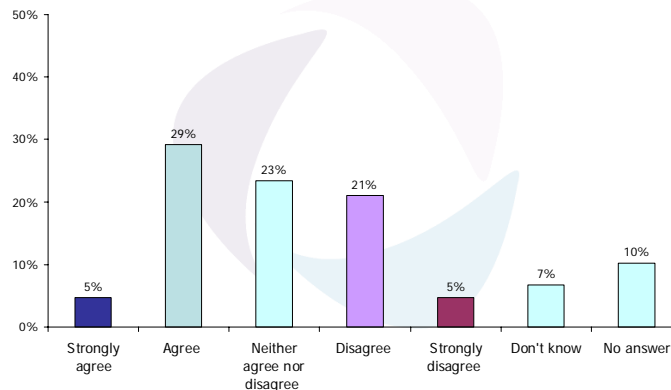


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Without a voice in the decision making process in most organisations?

How strongly do you agree with the statement: "The perspectives/opinions of volunteers feed into decision making at headquarters?"



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The competition for volunteers increases every year – whether that is in terms of the number of charities competing effectively for their time or whether it's in terms of perceptions of time pressure and other competing activities. Like most things in life, a bad experience (where your points of view are not taken seriously) is the surest way to turn volunteers off an organisation. In order to be most effective at recruiting and retaining volunteers, organisations need to think about the volunteer experience and to apply the principles of customer service to volunteers. In an environment that has been labelled 'The Have it All Society', the average citizen expects and demands an opportunity to air their views, demands world class customer service and wants it all today! A report published by nfpSynergy earlier in 2006, *The 21st Century Volunteer*, points out that organisations must engage with volunteers needs and consider what they receive from the experience of volunteering. It appears that more

charities need to heed this advice in order to be more effective at recruiting and retaining volunteers.

6. Maybe it's always 'us against them'?

In some cases, a fractured 'us against them' culture is reported to be emerging, an environment in which the organisation struggles to be as effective as it should be. Some charity employees are very concerned about the impacts these schisms are having on staff morale and satisfaction, organisational cohesion, fundraising, the brand and reputation, and the ability to recruit and retain volunteers. This must be of concern in a context where a range of stakeholders are demanding more and more efficiency, effectiveness and professionalism than ever before.

This research encourages all charities to take a critical look at how their Regional-HQ relationships are functioning and, if necessary, how they can be monitored and improved. Capturing and actively listening to the views of staff members is the foundation stone. Developing formal systems for communicating is likely to be a basic necessity. Conducting training, meetings and social gatherings in a range of locations in addition to HQ would help. However, the most significant challenge is fostering an open culture which encourages constructive criticism and strives for continuous, rigorous improvement.

Maybe a vision of perfect HQ-Regional harmony is unrealistic. Instead perhaps the ambition should be to strive for a healthy state of tension where a culture of improvement ensures that the balancing of Regional-HQ needs is more automatic than it is today. The charity sector may not be alone in having to deal with imperfect relationships between HQ-Regional staff (there is no basis for comparison at the moment). However, with less than one third of charity employees surveyed saying their organisation has achieved the right balance between the needs of the Regions and those of HQ, it suggests some charities have a long way to go. Without wishing to sound too much like a pop-psychologist, the first step must be talking about it and admitting there is a problem.

7. So what can be done to create better relationships between HQ and the Regions?

1. Build organisational social capital

There has been much talk about how communities need social capital - that informal network of relationships and connections that create a more cohesive, dynamic and supportive culture. Workplaces and organisations are no different. Managers need to create social capital both within a team, across teams and across geography. This means working out ways in which people know each other, do things together, and have links irrespective of their strict working roles.

2. Change simple habits to allow people to meet

Social capital can be built in dozens of ways: by making sure that training courses have people from across the organisation; by holding meetings in regional offices and ensuring that visiting staff stay overnight and go out for a meal; by organising job swaps; by having staff conferences for more than just the more senior staff and so on. One simple and relatively cheap way to build social capital is to allow people from different geographical offices to have a meal together and claim it on expenses. Small efforts such as this can make a big difference in helping people to get to know other staff members and to build personal connections.

3. Devise a clear strategy and framework for improving relationships

Part of the problem is that the relationship between divisions and teams is often nobody's job in a charity or is the job of a very busy CEO. So somebody needs to create a plan and make it work: How can regional teams be involved more in decision-making and how can clarity of authority be made clear.

4. Less equal opportunities and more cross-fertilisation and career development

One way to improve relationships in an organisation is to provide opportunities for staff to work in different parts of the organisation in order to genuinely have the opportunity to learn about the reality of the challenges/needs of people in other positions in the organisation. If staff in HQ have worked in other regional offices, then it can only help make sure that a greater range of perspectives is taken into account. Often one of the barriers to this kind of approach is equal opportunities. Sometimes, just sometimes, giving good people the opportunity to take on new roles and expand their experience in an office in a different part of the organisation is a risk well worth taking and might sometimes be more important than the equal opportunities policy.

5. One email doesn't make a communications strategy

An average member of staff in an average charity may get 50-100 emails a day. Once a month the HR team may send round an email on HR and internal communications issues. Buried deep in that, after the health and safety notices on fire extinguishers, may be some really useful information or news or ideas about HQ-Regional relationships. However, if only 1 email in 1000 covers this topic it shouldn't be surprising that staff do not see it as important. Good internal communications require high profile, top quality messages to be reinforced again and again across the organisation, and for these to be followed up by the actions of senior staff in who they talk to, where they visit and what they say.

6. Listen first, talk second

Any strategy to improve relationships between HQ and the Regions needs to start with some serious listening. In researching this report we came across numerous examples of organisations who'd either failed to try and find out what their own staff thought, or worse still, asked them and then suppressed the results or decided not to ask them because 'morale isn't good at the moment'. Two simple things make a huge difference: Firstly send out senior staff, directors and the CEO to listen to what staff have to say. This will allow open and honest opinions to be voiced. Secondly, run regular staff surveys and act on the results, track this data over time and learn

from how attitudes change and develop. The advent of ubiquitous staff email and online surveys allows cheap, rapid and flexible staff surveys to be undertaken.

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5 September 2006