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# ‘Investigating an ‘institutional partnership’ collaborating to develop a funded project into a sustainable work-integration social enterprise (WISE)’

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## **Abstract**

This paper reports a research study that examined a partnership between a regional social enterprise development agency and a university as they collaborated to develop a work-integration social enterprise (WISE) in the UK. Participants were members of the board of directors, steering group and the programme delivery and administration staff. The research elicited participant perceptions of the development of the partnership and the WISE over a period of eighteen months. Semi-structured interviews were conducted with participants in three phases: ‘early’, ‘middle’ and ‘late’. Results revealed the problems experienced by the partnership, which ultimately inhibited the development of a sustainable WISE.

## **Introduction**

The partnership received funding to enable them to establish a work-integration social enterprise (WISE) delivering three different employment enhancement programmes. One of the initial aims of the funded project was to test the feasibility of the ‘institutional partnership’ as it attempted to establish the WISE with financial support from the funding body. A further aim was for the partnership to develop the WISE into a financially sustainable social enterprise. The current research revealed the partnership process and reports the outcome of the project. The overall design of the current research study was longitudinal, conducted over a period of eighteen months and grounded in ‘team-based philosophy’ based on the notion of transforming a ‘loose group’ into an ‘effective team’ (Sheard & Kakabadse, 2002).

## **Theoretical framework**

Social enterprise governance is an under researched area (Diochon, 2010; Morris *et al.*, 2007; Spear *et al.*, 2007). Pursuit of an entrepreneurial strategy in social enterprises has been shown to be associated with success (Alvord *et al.*, 2004; Dees, 1998; Mason *et al.*, 2007; Peredo & McLean, 2006; Prabhu, 1999). The majority of social enterprises are run by a board of directors whose role encompasses the formulation of strategy. However, there is very little research into how a board can influence entrepreneurship (Morris *et al.*, 2007). In large companies boards tend to be more formal and rely on management to develop strategy but in start-up and smaller companies, boards are often more intimate regularly interacting with management and making strategy decisions (Oliver, 2000) Prior research (Diochon, 2010) examined the role of boards in relation to encouraging entrepreneurship in newly formed community led social enterprises. Diochon (2010) reported that companies with directors who were highly committed, had higher levels of goal achievement and innovation that fostered entrepreneurial orientation whereas companies with less committed directors, were more passive, reactive and dependent upon employees for their agendas and information.

Dickinson & Glasby (2010) examined partnership working and proposed the addition of the of 'Pragmatist' and 'Mimetist' to 'Optimist', 'Pessimist' and 'Realist' approaches to partnership proposed by Sullivan & Skelcher (2002). The 'Mimetist' approach to partnership was characterised by lack of precision and clarity in what success would look like and a failure to pay sufficient attention to the practical operation of the partnership (Dickinson & Glasby, 2010).

The board, management and staff of a newly formed social enterprise may be regarded as a group of people coming together to form a 'team' to achieve success for the social enterprise. Naturally, it will take time for that loose group of individuals to develop into an effective team. Prior research conducted by Tuckman (1965) established a four stage, team-development model, based on the following stages: forming, storming, norming and performing. Tuckman (1965) proposed that passing through this four stage process transformed a loose group into an effective team. Later research, Adair (1986) postulated that groups of individuals share common needs that can be categorised into three basic elements (i.e. task, group and individual). Sheard & Kakabadse (2002) added a fourth basic element to the list of common needs (i.e. environment) based on the importance of organisation culture rooted in associated norms, routines and rituals. Sheard & Kakabadse (2002) argued that for a loose group to successfully transform into an effective team through the process of forming, storming, norming and performing, all four basic elements of task, group, individual and environment must be aligned. This alignment of the basic elements between individuals requires the management of any conflict between individuals in order to minimise negative aspects of the conflict. Sheard & Kakabadse (2002) extended the integrated team development framework by adding a 'forming opt out' and a 'norming/storming cycle' to the original Tuckman (1965) model (see Fig.1). In order to apply the model to determining the stage of development a team has reached, the basic elements of task, individual, group and environment were broken down into nine key factors that collectively differentiate a loose group from an effective team (Sheard & Kakabadse, 2002) (see Table 1).

### **The current research**

The current research aimed to reveal the development of a partnership between two institutions, a university (hitherto referred to as UNI) and a regional social enterprise development agency (hitherto referred to as SEDA), which received financial support from a funding body to set-up and develop a WISE. The design of the study was longitudinal with interview data collected at three points in time over an eighteen month period. The three data collection points were named 'early', 'middle' and 'late' phases. The newly established WISE had a board of directors consisting of three representatives from each of the partner organisations (SEDA and UNI), a steering group, and company staff who administered and delivered three employment enhancement programmes.

Figure 1: The integrated team development framework (Sheard & Kakabadse, 2002, P. 137)

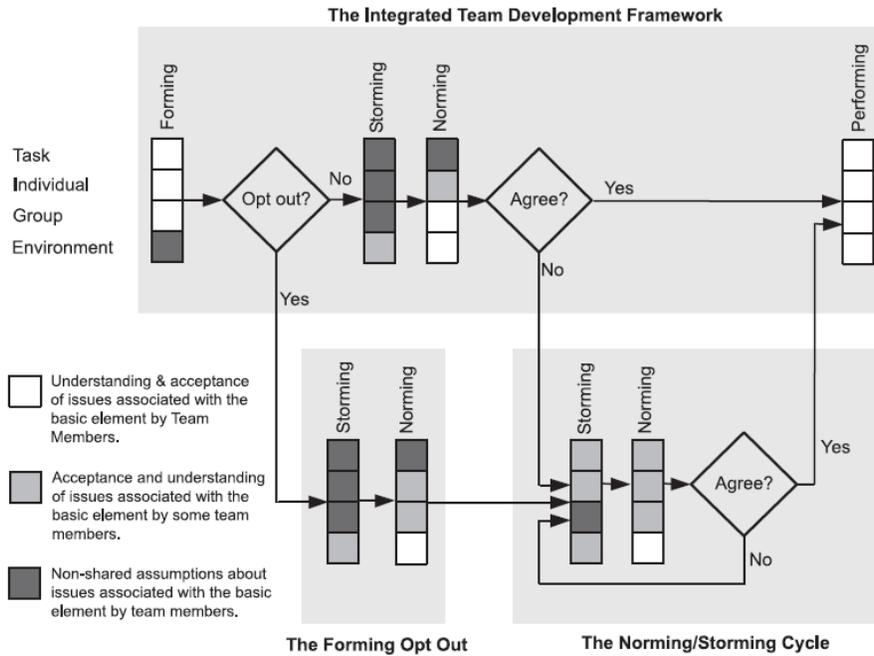


Table 1: The nine key factors (adapted from Sheard & Kakabadse, 2002, P. 137)

Basic element	Key factor	Loose group	Effective teams
Task	Clearly defined goals	Individuals opt out of goals not understood	Understood by all
	Priorities	Split loyalty of individuals to other groups	Cohesive team alignment
Individual	Roles and responsibilities	Unclear, with gaps and overlap	Agreed and understood by individuals
	Self-awareness	Individuals guarded	Social system established and accepted
Group	Leadership	Directive	Catalytic
	Group dynamics	Individuals guarded	Social system established and accepted
	Communications	Formal	Open dialogue
Environment	Infrastructure	Task focused	Stable support from organizational infrastructure
	Context	Task focused	Influenced, but not controlled by organisation

## Method

### Participants

The total number of participants in the study was twenty two (N=22). Twenty participants were interviewed at the ‘early’ phase (n=20), fifteen participants were interviewed at the ‘middle’ phase (n=15) and ten participants were interviewed at the ‘late’ phase (n=10). The fluctuation in participant numbers in each of the phases reflected changes in personnel over the eighteen month period of the research (See Table 2)

Table 2: Participant number, status and phase participation key

T1= ‘early’ phase; T2= ‘middle’ phase and T3= ‘late’ phase

P1 Director (UNI)	T1, T2, T3
P2 programme staff	T1, T2, T3
P3 admin staff	T1, T2, T3
P4 programme staff	T1
P5 programme staff	T1
P6 programme staff	T1, T2
P7 programme staff	T1
P8 programme staff	T1, T2
P9 steering group	T1, T2, T3
P10 programme staff	T1
P11 programme staff	T1
P12 Director (UNI)	T1, T2, T3
P13 Director (UNI)	T1, T2, T3
P14 Director (SEDA)	T1, T2
P15 Director (SEDA)	T1, T2
P16 Director (SEDA)	T1, T2, T3
P17 steering group	T1, T2, T3
P18 admin staff	T1
P19 steering group	T1
P20 steering group	T1, T2, T3
P21 Agency Manager	T2
P22 programme staff	T2, T3

### Procedure

At all three phases of the longitudinal study, all participants engaged in individual semi-structured interviews with a researcher. The questions asked were open-ended in nature and were the same for all participants. The questions were constructed from the evaluation requirements of the funding body and the nine key factors in Table 1 (Sheard & Kakabadse, 2002).

## Analysis

The method employed to analyse all 45 of the interview transcripts was 'Constant Comparative Method' (Glaser & Strauss, 1967; Lincoln & Guba, 1985). Constant Comparative Method (CCM) is an iterative procedure designed for the qualitative analysis of text and is based on 'Grounded Theory' (Glaser & Strauss, 1967). This method of analysis focuses on a process where categories emerge from the data via inductive reasoning rather than coding the data according to predetermined categories (Maykut & Morehouse, 1994). Constant Comparative Method involves five main stages:

- 1) Immersion, 'units of analysis' are identified;
- 2) Categorisation, 'categories' emerge from the 'units of analysis';
- 3) Phenomenological reduction, 'themes' emerge from the 'categories' and are interpreted by the researchers;
- 4) Triangulation, support for researcher interpretations of 'themes' is sought in additional data;
- 5) Interpretation, overall interpretation of findings is conducted in relation to prior research and/or theoretical models (McLeod, 1994).

## Results

Five different themes emerged at each of the three phases, which were interpreted by the researchers as: at the 'early' phase, 'communication', 'unity', 'concept and planning', 'personalities' and 'personal perceptions'. At the 'middle' phase: 'WISE objectives', 'partnership', 'staff/management interaction', 'problems' and 'individual perceptions'. At the 'late' phase: 'reasons', 'positives', 'company structure', 'the partnership' and 'negatives'. In reporting the results the terms the 'partnership' and the 'board' are synonymous and the 'team' refers to combination of the board and staff.

### **'Early' phase: 'communication', 'unity', 'concept and planning', 'personalities' and 'personal perceptions'.**

During this phase a financial crisis arose because the staff did not effectively record funding project reportables required by the funding body, which meant the WISE was in danger of losing its funding. As a result, the CEO<sup>1</sup> resigned and was replaced by an acting CEO from the board of directors (P1). The acting CEO instigated changes to address the potential loss of funding. The acting CEO's changes meant the temporary focus of the WISE was specifically on fulfilling the requirements of the funding body. As a result, issues of future sustainability were sidelined. Also, during this phase a small group of staff became very disaffected by P1's management style, which caused problems of overall unity.

### **Theme 1: 'Communication'**

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<sup>1</sup> CEO in this article refers to the original CEO who resigned and declined to be interviewed for the research study.

Participant comments about communication referred to both the quality and quantity of communication occurring both within and between groups.

*“So yeah we [the board] communicate with each other but I wouldn’t say it is close. I did pick up the phone once to speak to P15 and after, he spoke to the CEO because at that stage I was concerned for the organisation and for the risk of what appeared to be a poorly functioning but probably rather dissatisfied and maybe a damaged chief executive.” (P13)*

*“I don’t want to lay all the blame on CEO because she’s not here but there were discussions, certainly in steering group, as to what the numbers were and there were meetings with CEO separately to go through outputs and things. So she should have understood what the outputs [funding body reportables] were and how she communicated those to the staff team and that seems to be where it broke down.” (P20)*

A further contributing factor to the crisis was rooted in many of the programme delivery staff’s lack of competence in the use of the company’s IT system, which was designed to record the funding body reportables.

*“Every single problem with IT was because we didn’t know how to use it. And it wasn’t that the system was crap; it was because they [the staff] didn’t trust it, they didn’t like it, they were impatient with it and it didn’t work in the way that they wanted it to work or they just didn’t know how to use it.” (P1)*

## **Theme 2: ‘Unity’**

The theme ‘Unity’ emerged from the data and included some emerging issues around the unity of the board that centered on member’s levels of commitment to the company.

*“And I think for P13 in particular it’s very difficult to separate out in his own mind what’s right for the business [WISE] and what’s right for the university and the university wins every time.” (P1)*

*“It’s really a question of time. I need to be on that board ensuring that the university’s interests are met and that any potential crises are avoided if at all possible” (P13)*

Overall there was evidence of a general lack of unity between members of the board of directors. There was also evidence of some confusion among members of staff, regarding funding body reportables. The problems faced by the company are summarised below by P17:

*“I think it comes down to the fact that it is quite difficult to set up a relatively large organisation with complex activity through funding, which then allows you to employ a number of people who have to then function collaboratively and then to look at how to sustain that activity beyond the period of funding when perhaps the activities have been designed around a funding stream rather than necessarily around a business approach*

*that would allow you to be able to sell some of those services in the open market or public sector market.” (P17)*

### **Theme 3: ‘Concept and Planning’**

With the change in CEO, planning a sustainable future for the WISE was sidelined in order to address more immediate financial problems. However in spite of this change of emphasis there was a general awareness of sustainability issues:

*“The organisation [WISE] will have to look quite different in order to be able to bring in sufficient income, especially with the current situation and the highly competitive nature of contracts in this type of field where you have got players who have been in the market for a long time and big players as well.” (P17)*

*“The sustainability, obviously we don’t have that unless we make our programmes as they are now profitable, which I don’t really think is possible.....we do rely on either getting more funding from the same source or finding something else to do.” (P6)*

### **Theme 4: ‘Personalities’**

Following his appointment as acting CEO, P1 brought his own personality and management style to the crisis management task, which seemed to be appreciated by the majority, if not all of the staff.

*“Before, I didn’t feel like any of us were working as one big team at all. I felt like we were like very individual on our projects. We were all really blinkered by our own targets what we had to achieve. And since P1 has taken over, we are much more, we have regular team meetings. So we interact with each other a lot better.” (P7)*

However, as effective as P1 was with the majority of the staff, the individual personalities of a small group of individuals seemed to conflict with P1. This group became a discontented ‘faction’ that were becoming increasingly isolated from the other staff and discontented with P1’s management style.

*“I just see one group of people now who are working together but I do see this small group where they just seem to be a little bit out of the loop. I am trying to pull that in.” (P1)*

### **Theme 5: ‘Personal Perceptions’**

The personal perceptions of the ‘disaffected’ group, discussed in the previous theme, were influenced by P1’s management style. It seems clear that the individuals involved felt they were being treated badly and this perception prevented effective teamwork developing.

*“At times, it almost seems as though certain areas of the work we are doing are wanted to fail. They are wanted to fail by senior people and I mean from board level down.” (P5)*

*“I am uneasy about some of the management decisions and tactics that he [P1] adopts. I’m not aware of the reason why that management style is adopted. And I’m personally quite angry about that. To me it seems madness.” (P11)*

## **Summary**

The above discussion of the emergent themes at the ‘early’ phase provides evidence of poor communication between the board and staff. Poor communication was a contributory factor in the lack of ‘unity’ across the team, which was shown to impact upon the ‘concept and planning’ of the WISE. The ‘personalities’ of some individuals, at all levels of the team, were revealed as often conflicting and detrimental to cohesion within the WISE. Individual ‘personal perceptions’ of the actions taken by P1 to resolve the crisis, contributed to the disaffection and isolation of one particular group, which was not conducive to overall effective teamwork.

### **‘Middle’ phase: ‘WISE objectives’, ‘partnership’, ‘staff/management interaction’, ‘problems’ and ‘individual perceptions’.**

During this ‘middle’ phase P1 returned to his duties as a director and was replaced by a new Agency Manager (P21). The Agency Manager was charged with meeting the funded project targets and developing business to ensure future financial sustainability. Unfortunately, this appointment proved to be unsuccessful as P21 was later perceived by all to lack the communication skills and entrepreneurial ability to lead the WISE towards sustainability.

### **Theme 1: ‘WISE Objectives’**

This theme exemplified the unchanged overall philosophy behind the WISE and the dual demands of achieving the funding body targets and reportables and establishing a sustainable future for the WISE.

*‘I think the purpose is still to meet the objectives of the programme and to try and be sustainable past the programme although time is getting shorter now. I don’t think the purpose has actually changed.’ (P20)*

There appeared to be quite a rigid focus on ensuring that the funding body reportables were met, in order to ensure no loss of income from that source. There was a realisation that sustainability needed to be addressed but it was acknowledged that entrepreneurial skills were lacking. This situation left the staff with the desire to create a sustainable future but without the leadership to achieve it.

*‘In terms of how the company operates we’ve got to move it very quickly to a commercial footing so it has to be able to get income in to support its social role.’ (P12)*

*‘I think the intention is certainly there from the board but I don’t think there is necessarily the ability and possibly the intention within the organisation to break free of the project management constraints into a more entrepreneurial mode.’ (P13)*

*'I'd love to see WISE progress and last but I don't think it is going to the way it is at the minute. There is so much talking about making it commercial but then six months down the line or whatever nothing's happened, nothing has changed and we are still doing the same thing. Either we have got to get out there and start right now or WISE will come to an end in September.'* (P2)

## **Theme 2: 'Partnership'**

This theme of partnership revealed a conflict between the three university representatives.

*'.....the board hasn't got a clear strategy. The board doesn't know what it wants to do. I had a meeting with P13 last Wednesday and he said to me "Well of course it's failing, it's just going to go down the toilet at the end of September isn't it?" Well actually P13, it depends how committed you are to it.'* (P1)

*'I think at the moment there is a real problem amongst the directors appointed by the university I think the issue is that P1 got what social enterprise was from the start, I have come to understand what it is and how it can be of long term advantage and I genuinely think P13 hasn't got a clue. I think that's a real problem. I see him as a genuine drag on the organisation.'* (P12)

*'I would want WISE to be more than a reputational enhancer for the university but to be an income earner. I mean income for social good such as for supporting students on international placements or the student hardship fund etc. And I just don't think we are any closer to that than we have ever been.'* (P13)

## **Theme 3: 'Staff/management interaction'**

Changes in management, management style and the restructure of the WISE, which resulted in an overall reduction in staff numbers, impacted on issues of leadership, staff dynamics and communication. The acting CEO performed primarily as a project manager to redress prior problems in recording funding body reportables to ensure the continuing receipt of funding. The newly appointed Agency Manager was to continue with the funded project management but he was also required to develop business opportunities to provide income to ensure the sustainable future for the WISE. Unfortunately, during this period the Agency Manager was increasingly perceived by members of the board and staff as a poor communicator who lacked the necessary skills to develop the future business required for generating a sustainable future for the WISE.

*'I guess the only thing would be P21 coming in to WISE. That has impacted on the staff team. I think he has a different management style completely to P1. I think they [the staff] struggle a bit with him [also] to have completely different management styles in a year is quite hard for them.'* (P20)

In addition to management style issues there was no clear articulation of how the change from funded project to sustainable WISE was to be achieved:

*'I think it wasn't clear who was responsible for sustainability. I think people in a way took responsibility upon themselves. I think other people were coming in with ideas from the university and so on and my own view is that perhaps all of those ideas didn't come together very coherently and again it wasn't quite clear who was actually responsible.'* (P17)

*'The project seems to drive out the ability to be entrepreneurial and I think it is very difficult for the board to be entrepreneurial on behalf of the organisation. The board has to stimulate entrepreneurship within the organisation and has by and large failed to achieve that.'* (P13)

*'The board have their reservations about me. Do the board really know what they want? I think the board needs to be realistic and accountable for the 12 months just gone not the 3 months I have been here.'* (P21)

#### **Theme 4: 'Problems'**

One of the main problems cited by the board and staff was the inability of P21 to communicate with others but in addition to this, other aspects of his competence and ability to manage the WISE were called into question by the board and staff. These problems were perceived as so acute that P21 did not successfully complete his probationary period and he was asked by the board to leave the WISE towards the end of May 2011.

*'His level of communication is very poor. He talks a lot, says very little but when he does say something it's actually quite blunt so he has begun to alienate his [staff] team. He failed his probation and we've set him two months to achieve certain targets otherwise he's gone.'* (P1)

*'P21's preoccupations were not ones that were integral to the future of this organisation, they were minutiae, it was petty stuff and that lack of strategic concern was significant. I think I said, after he talked for 10 minutes, "I'd like to stop you there and just say these are your management issues they're not the board's issues. We as a board want to know where this organisation is going".'* (P13)

Criticisms by P21 about the quality of some of the WISE staff were supported by P1 and P3. The dilemma for the WISE was some of their unsuccessful recruitment was conducted from within their own programmes. Although this recruitment policy fulfilled the WISE's philosophical social enterprise aspirations, it didn't always result in competent workers being employed:

*'We have also offered placements [in WISE] to people [from the programmes]. I think we have done about 8 or 9 and I would say that only 2 have been successful. I think what goes through my head is that these guys are unemployed for a reason and I don't think they have overcome the issues of why they were made redundant.'* (P1)

During this 'middle' phase of the evaluation, problems collecting funding body reportables re-emerged, which inhibited the ability to provide the funders with mandatory end of programme paperwork:

*'I guess things did change [in relation to poor paperwork] but now they are probably back to where they were in November [2010] in the fact that I am now going back down 1-2 days a week. I'm working with the staff a bit more to try and achieve some of the outputs and things.'* (P20)

### **Theme 5: 'Individual perceptions'**

This theme emerged as being one where two members of staff who were leaving the WISE talked of their individual perceptions of positive aspects of being involved with the WISE. The individuals concerned attribute increased self-confidence, feelings of success and professional achievement to their experience working at the WISE:

*'I feel like I have grown a lot. I am completely different. I feel like I'm walking away with a lot more knowledge that I can use.'* (P3)

*'If someone asks me what was your first job? I did this, this and this. It's been fantastic it really has and I have learned a lot. I'm really grateful for the experience, it's just been amazing. There have been some ups and downs but I've really loved it here.'* (P8)

### **Summary**

The above discussion of the emergent themes demonstrates that the overall philosophy of the board, staff and the WISE hadn't changed from the 'early' to the 'middle' phase. There is some evidence to suggest failure to provide funding body reportables continued to be a problem. It was reported by both the board and staff that short-term targets to address this problem impacted upon the ability of the company to focus on issues of future sustainability. This more entrepreneurial task of creating a sustainable future was awarded to a newly appointed Agency Manager, who was also expected to continue to complete the funded project simultaneously. A lack of direction and commitment to sustainability on behalf of the board of directors emerged, which left the staff confused about how to move forward towards sustainability. Also the newly appointed Agency Manager was described as having poor communication skills, limited leadership abilities and minimal entrepreneurial skills. The analysis also revealed some conflict between the university representatives on the board, based on the timescale required for the WISE to provide income for the university. The ability of the board to recruit suitable individuals to fulfil the complex demands of their roles was questioned by P1. One explanation proposed by P1 was based on a desire to demonstrate social enterprise principles by recruiting from within their own programmes.

### **'Late' phase: 'reasons', 'positives', 'company structure', 'the partnership' and 'negatives'.**

At the beginning of this 'late' phase the Agency Manager and two members of staff resigned. Towards the end of this phase, one of the SEDA representatives on the WISE board also

resigned and SEDA appointed a new CEO for their organisation [RM]. The new CEO from SEDA attended a WI SE board meeting during which a disagreement between RM, P1 and P12 took place. This disagreement was so serious that it brought the future of the partnership into question. There followed a period where communication between UNI and SEDA became very difficult. The WISE, which at this point had only three employees, was left virtually leaderless. Eventually, the WISE completed the funded project, became dormant and the partnership was dissolved.

### **Theme 1: 'Reasons'**

This theme is characterised by the board and staff offering reasons for the direction taken by the WISE, which was basically to complete the funded project without engaging with opportunities to develop into a sustainable social enterprise. With hindsight the board and staff believed the appointment of P21 was a poor appointment because they did not believe he had the entrepreneurial skills to transform the WISE into a sustainable social enterprise.

*'The only goals we ended up with were the project based ones. I do genuinely believe that at any point, where we were going through recruitment, if we'd have got an entrepreneurial person in we wouldn't be sat here now talking about the fact that WISE is going to be a dormant company.'* (P1)

*'It would have been nice to have had a manager from June but with the hindsight of having the two previous and they weren't very good, whether it would have been more of a hindrance than a help?'* (P3)

*'In the end what I've learned is unsurprisingly it all comes down to the people. You get the right people and motivate them in the right way it will happen. If you don't get the right people, and WISE proved singularly ineffective at getting the right people, it will not work.'* (P12)

There was also a general feeling among board members that they were not able to devote sufficient time to the WISE because of pressure of work in other areas. This viewpoint also seemed to be held by some members of staff.

*'I should have made a stronger case for this being the only project or the only thing I need to be working on; so, too distracted by other things.'* (P1)

*'At the moment I have 4 major large-scale commercial projects that I am being asked to manage. And this [WISE] wouldn't even make the top dozen priorities.'* (P12)

*'I think the board have always had the best interests of the company at heart but haven't necessarily had the time to put in to it. I think there is a lot of goodwill and intention in the board but they have not put a lot of direct action in.'* (P20)

It is possible that a combination of lack of time on behalf of the directors and the lack of entrepreneurial skills of the managers appointed, contributed to the WISE focusing on achieving the funding body reportables at the expense of developing a sustainable future.

*'I don't feel that there has been any forward planning and I think that's probably not helped, it's always been funded project, funded project, hit this figure, hit that figure, do this, do that, no forward planning for what you are going to do after the funded project.'* (P3)

*'Really we were on the board of a company that was managing a project and wasn't being a true enterprise. I always struggled to understand what the dynamic was; what the purpose was outside of successful completion of the project. I guess self-evidently the outcome was, the default was, the project's finished the company's finished.'* (P13)

During this 'late' phase the staff's inability to collect the funding body reportables re-emerged again as a problem. Leaver's forms that should have been signed by clients at the time they left the programme were not completed at the appropriate time. This meant the staff had to try to collect the forms retrospectively, which proved to be a very difficult process.

*'So we are getting a lot of people who just won't do leaver's forms. Obviously, it's been such a long time as well that addresses have changed, phone numbers have changed especially the graduates because they don't stick around in one place they move to where the work is so we are struggling to get leaver's forms back really.'* (P2)

## **Theme 2: 'Positives'**

Although the partnership was moving towards dissolution towards the end of this 'late' phase the board and staff expressed their continuing belief in the WISE 'vision' and described some positive outcomes.

*'If I look at the reason WISE was set up, its vision, what it wanted to do, I still believe there's a role for such an organisation. We should have been in the position now to be making the most of it so I still genuinely believe that the ethos, the vision, the purpose of WISE is still there.'* (P1)

*'I don't think our purpose has changed it's just our ability to do it. We've had a few glitches really. I don't think the purpose has altered at all.'* (P16)

Some individuals felt the whole process had been a 'learning experience'.

*'I think I've learned you need very different skills to run a business and run a funded project. My advice to anybody who wanted to set up a social enterprise would be don't do it in the way we did it. You can run a commercial business and have contracts as part of that but as soon as it becomes the main part then you cease to do the business part of it.'* (P12)

*'I wouldn't want to be party to another social enterprise that was effectively a project focused business but would prefer a truly commercial social enterprise, if that is not a contradiction in terms. I think on balance it's probably good that we did what we did, it was a learning experience and an interesting one.'* (P13)

### **Theme 3: 'Company structure'**

This theme is characterised by the participant's perceptions of how changes in the company structure during this 'late' phase impacted on the management and direction of the WISE.

*'SEDA has imploded. To a large extent RM's come in he's hacked of the [SEDA] staff. Most of the old guard have left.'* (P1)

At this point the WISE had no manager in place, which meant managerial duties tended to be split between board members and the administrator, which was perceived as a less than perfect situation by the staff.

*'At the minute there is no purpose. We haven't got a purpose our only job is to finish our funded project contract. It [morale] is extremely low because we have not had any guidance or any manager really. They [the board] gave us a future plan when P21 first left and that was the end of that. It was a future plan that lasted like about five minutes and then that was it.'* (P2)

*'My morale is down as low as it gets basically I've thought about putting in my resignation; it kind of rubs off you know? There isn't any leadership. Now it just seems we are managing ourselves and explaining ourselves to each other. I just don't know what to do anymore and I don't think the leaders probably do either.'* (P22)

*'I think since June-July time though, which would have been when P21 left, it's kind of been a bit, I would say up in the air. A bit hazy mainly.'* (P3)

This lack of leadership was also acknowledged by the board.

*'It [WISE] didn't have the leadership or management capable of taking it beyond that [a funded project] and to be fair probably the board on both sides [SEDA and UNI] wasn't determined enough to make sure that it was a success in its own right. There didn't seem to be that real leadership if you like any serious attempt to gain any common understanding of where we were going.'* (P13)

Communication between the board and the staff regarding the future of the WISE was poor because of the period of indecision following the disagreement between the partners.

*'I think communication to the staff and the future and what's happening we've not been as open with the staff because we didn't have a plan and we wanted to wait until we had a firm plan before we told them what was happening. I think that meant that we have informed them quite late, which is obviously not very good for their morale.'* (P16)

The overall management situation was summarised by one of the board members:

*'It's the classic case of go into it without a clear idea of what it is and what the objectives are, engage the processes and get bogged down with the nitty-gritty and wonder after a period of time why it's not going anywhere. "Alice in Wonderland" when you come to the fork in the road and she asks "Which way do I go?" and the March Hare says something like "Well where do you want to get to?" and she says "Well I don't really know" and he says "Well it doesn't matter which way you go then does it?" [Laughs]' (P13)*

#### **Theme 4: 'The partnership'**

During this 'late' phase there was a change in the management structure of SEDA, which impacted on the partnership and the WISE. A new CEO was appointed by SEDA (RM) who demonstrated a desire to take SEDA in a different direction. RM's personality and management style coupled with a specific clash between him and two of the university directors (P12 & P1) were cited by many participants as significant factors in a deepening conflict between SEDA and the university, which ultimately led to the dissolution of the partnership and the WISE being made dormant.

*'When I entered the room I could tell that there had been something of a conversation. I learned afterwards that they [P1, P12 & RM] had had quite a serious set to but it was reasonably obvious beforehand. That was a seminal moment.'* (P13)

The board and staff expressed doubts about the seriousness and commitment to sustainability demonstrated by members of the board.

*'I think they [SEDA and UNI] are the same they see it as like a learning thing. It shouldn't be really a little experiment. It should have been like an actual venture kind of thing and it was really an experiment I think and it just went wrong.'* (P2)

*'I think we were all basically playing at it, that's clearly got to stop. We run it as a business and it survives or fails as a business.'* (P12)

P1 expressed doubts about the nature of partnerships between the university, universities in general and other organisations in relation to social enterprise.

*'I believe that the university cannot deliver on a social enterprise agenda on its own. I think the problem is we come to the table undervaluing the potential of partnership working. I don't know enough about others [universities] and it's difficult to say whether it's the university or individuals within universities. The failure of this partnership I don't think is a problem between SEDA and the university I think the way the partnership has gone in my experience is the way that most partnerships with this university and maybe with others goes.'* (P1)

## Theme 5: 'Negatives'

This theme characterises the feelings expressed by some of the participants in relation to the dissolution of the partnership and making the WISE dormant. There was some overall optimism expressed that the WISE could be continued in a different guise under the sole ownership of the university. However, many of the board expressed negative feelings towards what they sometimes referred to as the 'experiment', which most considered a failure. The opinion expressed by one board member was that the skills required to complete a funded project differ so significantly from those required to establish a sustainable social enterprise. Attempting to do both concurrently was an impossible task.

*'I suppose me being me, the fact that after all this work there is nothing to show for it, there's a failure. By the time we actually got to addressing what we needed to address, it was too big a problem. I think if the overall objective was to have a functioning social enterprise that was delivering employability programmes for those target groups to make a significant contribution to the economic and social well-being of the county; it failed. I failed in that.'* (P1)

*'In my view WISE has semi-failed to deliver that project effectively and semi-failed to set itself up as a business. I am increasingly of the view that the skills needed to deliver a project and the skills needed to set-up and run a commercial business are so different as I think we always thought they were but this has highlighted it. They are so different that trying to do both of them at once I think we probably failed at both. We have used a lot of the funder's money and spent two years proving that you can't run a project and run a business.'* (P12)

Responsibility for the failure of the WISE was perceived by participants to be a combination of poor management, poor staff and overly ambitious aspirations.

*'I think there was an increasing dawning realisation that the aspirations that we had for WISE from the outset or even before it was formed, were not going to be realised. It was as I say a realisation that this was the end game so it didn't really come as a surprise when the thing effectively folded a short while ago.'* (P13)

*'My only opinion is we were all in it together we all failed together you know I don't like to point a finger at any particular person whoever is aboard a sinking ship that's it, what can you say?'* (P22)

## Summary

There was a level of unanimity among the participants in this research, at both board and staff level, surrounding the 'reasons' problems arose for the partnership and the WISE. Participants expressed the view that these problems were directly linked to: poor recruitment especially at management level; the inability of the board to establish effective partnership and to devote sufficient time to focus on the development of the WISE into a sustainable social enterprise; poor communication at all levels; the sustained inability on behalf of the staff to effectively collect the

funding body reportables and a lack of entrepreneurial activity on behalf of past CEOs and the final Agency Manager.

### **Stages four and five in CCM**

If the evidence from all three phases of the research is triangulated and compared with the Sheard & Kakabadse (2002) model, it can be argued that the WISE remained in the 'norming/storming cycle' section of the model (see Figure 1). The team (i.e. board and staff) ultimately failed to reach the 'performing' stage, the board (partnership) was dissolved and the WISE became dormant. The comparison between the results of the research and the model was undertaken by comparing the results of the analysis of the interviews with the four basic elements: task, individual, group and environment (see Table 1).

#### **Task**

For the basic element 'task' the key factors are 'having clearly defined goals' and 'priorities'. In an effective team, these factors are understood by all and there is cohesive team alignment. The results of the research reveal that the board did not have clearly defined goals, especially in relation to addressing issues of sustainability. Priorities were focused on completing the funded project, which inhibited engagement in the entrepreneurial activities necessary to achieve sustainability.

#### **Individual**

For the basic element 'individual', the key factors are 'roles and responsibilities' and 'self-awareness'. In an effective team, roles and responsibilities are agreed and understood by individuals and the social system is established and accepted. In the WISE, individual's roles and responsibilities continually fluctuated, which impacted upon self-awareness and had a negative impact. The overall lack of direction and leadership from the board meant that the social system was never established and accepted by members of staff who became completely demoralised.

#### **Group**

For the basic element 'group', the key factors are 'leadership', 'dynamics' and 'communication'. In an effective team, leadership should be 'catalytic' and the social system 'established and accepted'. There was a lack of leadership from the board and the dynamic never became 'catalytic'. The quality of leadership deteriorated over time as did the dynamic between the board and staff. For the period following the dispute between board members, communication between the board members themselves and between the board and staff was suspended as the board members sought to find a way forward for the WISE. The social system was never established and accepted by the board or staff (i.e., the team).

#### **Environment**

For the basic element 'environment', the key factors are 'infrastructure' and 'context'. In an effective team the 'infrastructure' should be stable with support from organisational

infrastructure. There was a volatile infrastructure and context at all times in the WISE, which created poor stability and reduced the level of support for staff.

## **Discussion**

The results of the current research revealed that the 'team' (i.e. the board and the staff) failed to transform from a 'loose' group to an 'effective team'. Also, the board relied heavily on appointed managers to make strategy decisions rather than interacting effectively with the managers to formulate an entrepreneurial strategy. This meant the board displayed 'trustee' behaviour more in line with that of the board of a large company than entrepreneurial behaviour often associated with a smaller start-up company (Oliver, 2000). By their own admission the board lacked commitment, were largely passive and reactive only when crises loomed. This behaviour was not conducive to goal achievement and innovation that could foster entrepreneurial orientation (Diochon, 2010). The organisational partnership was 'Mimetist' in its approach to partnership in that it never seemed to have precision or clarity in collective aims by failing to have a joint concept of success and not paying sufficient attention to the practical operation of the partnership (Dickinson & Glasby, 2010). One of the aims of the funded project was to produce a 'blueprint for success' for future projects to emulate. Unfortunately, instead of a blueprint for success, the project revealed important lessons in what to avoid. Lesson one, was a funded project and its associated funding body reportables can undermine the entrepreneurial process, as the focus of intention is on delivering programmes and accounting for spending rather than developing new business. Lesson two, the management skills required to successfully complete a funded project are fundamentally different from the more entrepreneurial skills required for securing commercial sustainability. Lesson three, directors from partner institutions must be prepared to act for the benefit of the social enterprise, even if at times this behaviour is contrary to the needs of their individual organisations. Lesson four, recruitment of effective management and personnel is crucial to the success of any enterprise. This recruitment process takes time and commitment and will probably involve extending the search beyond the group of people the social enterprise is committed to help find employment. Finally, a distinction should be drawn between the institutions themselves and the people representing those institutions. Does the current research examine the institutional partnership or the specific individuals who represented their institutions in this partnership?

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