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Tensions and contradictions

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Charities, Altruism and Becoming Business-like: Tensions and Contradictions.

Forthcoming in Qualitative Research in Accounting and Management (QRAM)

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ABSTRACT

Purpose. There is a longstanding debate over the role of modern business methods in the contemporary non-profit organisation (NPO) . Critics of business practices assert that they may undermine the missions of NPOs. This paper contributes to this debate. Many accounting researchers have shifted research focus to concepts such as trust and crises. These are important topics. But they may overshadow practices which are taken for granted as accepted practice which does not merit re-examination.

Design/Methodology/Approach. This qualitative project is based on an initial survey followed by comparative case studies of three non-profit organisations. The researchers have used both interviews and documentary analysis in this study.

Findings. The contention that the adoption of business-like practices undermines the fundamental aim of altruism of NPOs is challenged by the findings of this paper. The very concept of altruism is not a single unifying concept in NPOs – it is a contested idea. However, and most importantly, in this research there is no evidence of mission drift by NPOs which adopt business practices. This research highlights the way many NPO CEOs are mission-driven but also pragmatic bricoleurs in their consideration of new business practices. Most importantly, these case studies demonstrate a variation in practices within the participating organisations. This raises challenging questions about a receptive context for the adoption of new business practices which are explored in this paper.

Research limitations/implications. The case studies in this paper are from the UK and further studies in different operating contexts in other countries would be useful. In particular, the finding that the fundamental ethos of NPOs is not challenged by being business-like merits further research. There is also scope

for further research on what constitutes a receptive context for the adoption of new business practices by NPOs

Practical implications. This study reveals the potential significance of NPO boards, particularly non-executive directors, in the shaping of organisational practices. There is evidence in this study of NPOs recruiting business experts for purposes of legitimisation. But this study also shows how business expertise can be mobilised to enhance NPO performance by bricoleurs in NPO who are highly motivated individuals, who will adopt useful business practices to hand if they improve charity outcomes.

Social implications. The NPO organisations are motivated by the desire to make a difference to the lives of people who are vulnerable or disadvantaged. This study has interesting implications for managers and directors of NPOs on their effectiveness.

Originality/Value. This study challenges the critical view that becoming more business-like undermines the fundamental ethos of altruism in NPOs. This is an important finding, but this study also reveals the recruitment of business expertise by NPOs purely for purposes of legitimisation. However, these legitimating practices differ from the well-established view of isomorphism in the field of NPOs and suggests that, on the contrary, there is a variation in practice within the NPO field which has important implications for donors, regulators, directors and managers of NPOs.

Keywords: NPOs; bricolage; business-like; boards; legitimisation; practice variations.

1. INTRODUCTION

In contemporary accounting research on non-profit organisations, there is a longstanding interest in financial reporting by charities (Crawford et al., 2018) and the need for transparency in financial reporting (Hyndman and McConville, 2018). But there is also a preoccupation with more novel research with unusual topics such as trust and crises. On trust, there has been a focus on whether there is trust in charities (Yang and Northcott, 2021), the relationship of trust and accountability in charities (Yates et al. 2021), the process of rebuilding lost trust in charities (Hyndman et al. 2021) and the ways in which accounting reports may enhance trust in charities (Guo et al. 2023). On crises, there has been a particular focus on one particular crisis - the Covid19 Pandemic. This includes research on weakness in charity accountability in the context of the Pandemic (Conaty and Robbins, 2023), the importance of accounting information in co-ordinating charity responses to the Pandemic (Thambar and Kobe, 2023) and Nhung 's (2023) examination of different forms of accounting and their use by different professions in charities which may result in distortion or even coercion. These research agendas are important and topical. However, they also divert attention away from longstanding issues which may assume a taken-for-granted status within the field of charity accounting research. This applies to the focus of this paper which is on the use of modern business practices in the management of charities. The need for non-profit organisations to adopt modern business practices such as strategic analysis dates back to Butler and Wilson (1990). These pro-business proponents have faced regular critical research such as Myers and Sacks (2003) which argue that charity employees are motivated by considerations of altruism, which would be undermined by routine use of private sector practices. This research offers novel interpretations of how charity workers relate to, and make use of, business expertise and business practices. This paper examines the significance of charities (non-profit organisations or NPOs) adopting business practices. NPOs form a movement which aims to provide public benefit to society without any economic gain for NPO organisations themselves. They make up a large sector of many economies and are guided by core values of altruism (Bush, 1992).

The central challenge of the voluntary system as a provider of collective goods has been its inability to generate resources on a scale that is both adequate enough and reliable enough to

cope with the human-service problems of an advanced industrial society. This has raised the prospect of the volunteer tradition within NPOs being replaced by more professional management which raises issues over mission drift from core values. The phenomenon of how charities or NPOs need to become more business-like has been the subject of investigation since the 1980s (Maier et al., 2016). This has included a broad range of studies. One of the earliest studies was that by Butler and Wilson (1990) in which the authors stressed the need for strategic expertise within charities. This was a response to a situation in which charities were unable to raise enough funds to undertake all the tasks they wanted to fulfil- a situation of being resources poor and ideas rich (Salamon, 1987). It was also related to the phenomenon of philanthropic amateurism, in which well-meaning paternalistic figures undertook the administration of charities, which underlined the need for professionalisation (Salamon, 1987). This idea that charities may be an appropriate locus for the gifted amateur has continued despite evidence that the replacement of gifted amateurs may improve NPO performance (Hwang and Powell, 2009).

The need for business expertise in the running of charities included an early investigation of what 'business-like' means (Dart, 2004); examining the impact of public sector reforms on the NPO sector in the marketization of public services (Bruce and Chew, 2011); challenges of professionalisation of NPO staff (King, 2017) and the need for NPO managers to be more entrepreneurial (Sanders, 2015). Yet, despite continuing interest in this subject, there remains a need for a more comprehensive and evidence-based understanding of the impact of business-like practices in NPOs (Harris, 2012; Maier et al. 2016). The extant literature on the topic of business-like practices in NPOs reveals a clear division between expert commentators. The advocates of a more managerial approach to the discharge of the NPO mission include Van Til (2000) and Hwang and Powell (2009). It is exemplified by its advocacy by distinguished scholars from Harvard Business School (Herzlinger, 1996; Kaplan, 2003). This contrasts with a more complex strand of literature on NPOs which depicts the adoption of business practices by NPOs as a fundamental shift from their core values of making a difference to society by mobilising altruistic behaviour (Bruce and Chew, 2011; Philips, 2012; Jäger et al., 2013; Glennon et al., 2017; Hind, 2017). However, within this second strand of literature, there are examples of research which demonstrate the adoption of a business approach which is more style than substance. An example of such legitimating behaviour is the adoption of the language of business which presents an image of modernisation, but which does not influence practice (Sanders and McClellan, 2014). This use of business practices as legitimating the organisation

is an important dimension of many reforms in organisations (Meyer and Rowan, 1977; Brunsson, 1994) and this strand of thinking is investigated in this paper.

This research paper contributes to the enhancement of our knowledge of the influence of business practices in NPOs by (1) focussing on the willingness of large (with turnovers of around £5million) charities to seek and use the expertise of business experts to improve the management of their charities and (2) by showing the processes by which these charities have achieved legitimation for their efforts to adopt or adapt business practices in their charities. The specific focus in this paper is on the activities of boards of directors in NPOs. We briefly examine key results of a survey which was how we identified three case study sites for more detailed examination. The focus on the boards is an important locus for detecting the strategic direction of NPOs (Cornforth, 2001; Cornforth and Simpson, 2002) and sits well with the early work of Butler and Wilson (1990) which argued for strategic expertise to be at the centre of managerial improvements in charities. More recent research has observed that the managerial skills of business experts on boards are beneficial to NPOs (Hinna and Monteduro, 2017). A more tentative offering from the UK's NHS suggests that business experts on public sector boards may be an asset, although this appears to be most likely on financial than on service quality performance (Kirkpatrick, Vallascas and Veronesi, 2017). The specific research questions in this paper address the pressures on NPOs to become more business-like and also to gather evidence on whether there are tensions between business and mission driven activities, as follows:

(RQ1) “How important are charity boards in the identification, adoption and implementation of new business practices?” And

(RQ2) “Is there evidence of the adoption of business-like practices undermining the ethos of the case study organisations?”

The answers to these questions offer two specific contributions which this study makes to the literature. In the first instance, this study adds to our knowledge of how business-like practices may impact on NPOs. These findings contrast with the extant literature. That is the prevailing perspective that business practices must either work or not, but which, if they do work, may undermine the ethos and values of NPOs. In this study there is evidence of new business practices being implemented without adversely affecting the ethos of these NPOs. But there is also evidence of these business experts being appointed to boards as elaborate examples of

window dressing. Secondly, for decades the prevailing view of legitimation strategies was that of isomorphism from the seminal work of DiMaggio and Powell (1983) in which organisations would strive to be similar to present themselves as legitimate. That perspective was challenged by Lounsbury (2008) and Deephouse (2017) who saw the potential for variation in practice. Indeed, this study vindicates the Lounsbury and Deephouse perspective. It is important to note that this finding may have widespread significance because of the heterogeneity of the NPO sector which is unlike the homogeneity of public service systems. This finding needs further evidence from a wider group of study settings, but this result is consistent with a diverse sector of the economy. Furthermore, this study finds evidence of bricolage (Levi-Strauss, 1966) in which managers of charities do not seek to mimic successful charities by isomorphism but turn to use what is available and to hand to improve the practices of their charities.

This paper is organised in the following sections. First, the tension between altruism and the impact of business expertise is examined. Second, the theoretical framework of organisational legitimacy is discussed, including processes of legitimation, specifically isomorphism (Di Maggio and Powell, 1983). We also introduce the concept of bricolage (Levi-Strauss, 1966) to the NPO literature. This concept of bricolage opens the idea of NPO pragmatism in the choice of management techniques and practices which has the potential to have considerable potential in understanding the actions of NPOs. Third, the research design explains the research approach of using three case studies and how the case studies were identified. Fourth, the findings of this study are discussed. Finally, there is a conclusion.

2. ALTRUISM, CHARITIES AND BUSINESS EXPERTISE

In this section, there is a discussion of the pressures for NPOs to become business-like, the tensions arising from this and the complexity of the ethos of NPOs – the debate on altruism. This reveals the NPO landscape as both complex and contested. The major focus of this paper is on the role of NPO boards in promoting business expertise. As noted below, this is itself, a contested area without a convincing, agreed narrative. This issue is addressed in this paper.

Pressure on charities and the wider NPO sector to become more business-like are widely acknowledged. There is increasing evidence that NPOs have succumbed to the pressure to be business-like (Dart, 2004; Jäger & Beyes, 2010, Maier et al., 2016, King, 2017). The notion of NPOs becoming business-like was first conceptualised by Dart (2004) who proposed three ways in which NPOs could become business-like: business-like in their rhetoric, business-like in their goals, and business-like in the organisation of their core and support processes. Business-like activities are characterised by Dart (2004) as either or a combination of profit motivation, the use of managerial and organisation design tools developed in for-profit businesses, and a broad business thinking within which activity is structured and organised. However, this conceptualisation offers a neutral perspective on the impact of business expertise on NPOs.

Nevertheless, this development is a highly topical and contentious issue with a divergence of views in terms of the impact which business practices have on individual organisations, and the sector. There is a growing literature which focuses on business-oriented approaches in the management and governance of NPOs, with some studies supporting such a shift, viewing it as a natural progression (Herzlinger, 1996; Van Til, 2000), and as providing a solution to sustainability in competitive markets (Bradley, Jansen, & Silverman, 2003; Dees and Anderson, 2003). In contrast, other studies problematize this issue, suggesting that a business-like approach is incompatible with the distinctive values of the sector and threatens NPOs ability to carry out their mission (Bruce & Chew, 2011; Bush, 1992; Eikenberry & Kluver, 2004; Eikenberry, 2009; Myers & Sacks, 2003). Another facet of this adoption of business-like practices is the demise of the idea of the gifted amateur in NPOs and their replacement by professional staff. Hwang and Powell (2009) identify what they term ‘managerial professionalization’ which involves the increased recruitment of staff with a business background. Further observations of an increase in paid professionals have also been reported (Kreutzer & Jäger, 2011; Suarez, 2009), and it is suggested by Jäger et al. (2013) that they are recruited to cope with the tension between mission and pressure to be more market orientated. Although much of this research has focused on paid staff within NPOs, there is also evidence of professionalisation in relation to volunteers, particularly board members. The increasing trend towards requirements of expertise in volunteers is evidenced by Lundstrom (2001) and in relation to volunteer board members, both Abzug and Galskiewicz (2001) and Tschirhart (2009) reveal an increase in recruitment of individuals with managerial backgrounds, and also management graduates. There is also an acknowledgement of the important contributions that

volunteers with specific expertise can make, for example the inclusion of professional volunteers is deemed to be important in enhancing the strategic capability of the board (Shilbury & Fenkins, 2011).

A major issue has been the way critics of business expertise in NPOs uphold their core values, which they see as being threatened by business practices. However, a closer scrutiny of the core value of NPOs – altruism – reveals a complexity which is missing from the current debate. As Table 1 shows, the very idea of altruism is, contested. These concepts of altruism depict the manner in which individual acts of altruism may be undermined by impure behaviour (such as apparent acts of altruism giving a 'warm glow' (Andreani (1990)); by acts of altruism in return for other acts (Trivers,1971); or as vanity projects in a competition to see who is 'the best' (Roberts, 1998), by the mobilisation of primitive or innate ideas of ethical behaviour without regard to societal interactions (Caplan, 1978); by the adoption of effective altruism which only recognises the best and most successful NPOs (Singer 2010); by acts of altruism tainted by personal gain (Newman and Cain, 2014); or by undertaking acts of altruism without due diligence and at a cost to intended beneficiaries (D'Souza and Adams, 2014). Collectively, these examples of well-intentioned acts which create mission drift (Phills, 2005, p.26) are best approached by a careful articulation of core values (Phills, 2005, p.27), the articulation of a mission statement which captures these core values (Phills, 2005, p.20), and the alignment of a corporate strategy which enables the establishment of a successful NPO (Phills, p.127). A principal mechanism for the avoidance of mission drift is the board of the NPO, as discussed next.

It has been suggested that members of boards with business expertise have the potential to introduce new business practices in NPOs (Phills, 2005, p.viii). However, while the contribution of boards in shaping the strategic direction of NPOs has been noted (Cornforth, 2001; Cornforth and Simpson, 2002), there is a contested literature on the effectiveness of boards. In the introduction, mention was made of managerial skills of business experts on boards being beneficial to NPOs (Hinna and Monteduro, 2017), but more tentative findings were by Kirkpatrick et al. (2017). Balduck et al., (2010) found effective board member individuals had to display competencies such as long-term vision and having professionalism.

Table 1. Concepts of Altruism

Concept	Nature	Comment
1. Pure and Impure Altruism (Andreani, 1990)	Pure altruism is individuals who give without thought to themselves. Impure altruism is individuals who get a 'warm glow' from social pressure, prestige from helping the less well off.	An early recognition that acts of altruism may be motivated by self-interest.
2. Reciprocal Altruism (Trivers, 1971)	Reciprocity recognises motives which may require a form of transactional relationship. Identified in biological sciences as primates indulge in mutual backscratching.	This undermines the concept of altruism as an act without personal gain.
3. Competitive Altruism (Roberts, 1998)	Altruism as a contest between individuals who compete to have the reputation of the greatest altruist.	The acts may be altruistic, but the underlying behaviour is consistent with Impure Altruism.
4. Ethical Altruism (Caplan, 1978)	Ethical altruism as innate, as there is a sociobiological basis for virtuous behaviour and the recognition of obligations to others.	This ignores learned behaviour and the capacity to distinguish between and act on ethical or unethical issues.
5. Effective Altruism (Singer 2010; 2015)	A careful consideration of opportunities for altruism and selection of most effective programme.	Lesser known programmes may be urgent and important but may be ignored.
6. Tainted Altruism (Newman and Cain, 2014)	Personal gain as well as altruism.	The alignment of personal and NPO actions may be hard to eliminate but may have adverse perceptions on altruism.
7. Unenlightened Altruism (D'Souza and Adams, 2014)	The impact of intended altruism may be deleterious.	This raises important questions over NPO interventions especially in novel settings.

An empirical study of Harvard MBA graduates on NPO boards by Austin (1998) also outlined the benefits emanating from such expertise. In contrast, other early commentaries have tended to problematize this idea, suggesting business professionals may not fully understand what being a nonprofit board member entails, and may not understand the unique qualities and professional norms of the organisation (Bowen, 1994; Dees, 1998; McFarlan, 1999). Despite evidence of the presence of these individuals on NPO boards, there is little empirical evidence of the influence or role of business people in the debate considering the tension between pursuing social mission and being business-like (Sanders & McClellan, 2014). This study seeks to address this issue by investigating the influence of business professionals on NPO boards.

3.THEORETICAL PERSPECTIVE:LEGITIMATION THEORY AND BRICOLAGE

The idea of organisational legitimacy is central in legitimation theory (Suchman, 1995). The status of legitimacy means organisations are perceived as proper and appropriate (Suchman, 1995), which enhances reputation (Bitektine, 2011). This status can ensure the future of the organisation. In his elaboration of legitimation theory, Suchman (1995, p574) stresses how legitimation is socially constructed, and defines legitimacy as:

“A generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (p.574).

However, Suchman (1995) did acknowledge that the state of legitimacy may be achieved by organisations manipulating practices and information to meet the expectations of oversight bodies and the external controlling environment. This is an important dimension of legitimation theory which is of direct relevance to NPOs seeking to legitimate their activities in the views of their oversight bodies ((Yasmin and Ghafran, 2021) and which is considered in this paper. Within this discussion of legitimation theory, we examine: (1) specific expositions of how legitimation may be enacted in organisations (2) external legitimation - ideas on the nature of legitimation in organisational fields and (3) the positivist critique of social construction and (4) the significance of bricolage.

3.1 The Enactment of Legitimation

Given Suchman`s (1995) definition of legitimating behaviour, how do individuals and organisations enact legitimation? The subtlety of legitimating behaviour is expressed in the

contention that many organisations indulge in `sagacious conformity` in which they appear to adopt new technologies, without implementing them (Meyer and Rowan, 1977). This perspective has been mobilised to study many examples of legitimation. A significant strand of this is the way these managerial or accounting changes may result in what has been described as window dressing (Lapsley, 1999), or form over substance. How this is undertaken is the adoption of legitimating activities, which may mean the adoption of specific management or accounting techniques or practices or may mean the entity being studied has an overall organisational approach to legitimation. Both the specific practice and the overall organisational manifestations of legitimation are examined here.

The adoption of specific business practices from the private sector may be an important part of legitimation (Christensen and Molin, 1995; Arnaboldi and Lapsley, 2004). This process may be a pragmatic approach to the adoption of practices which achieve legitimacy (Suchman, 1995). Within NPOs there are examples of such legitimating behaviour with the apparent adoption of strategic planning to present a picture of the modern organisation (Courtney et al., 2009). Similarly, there are examples of NPOs presenting strategic plans as a ritualistic or ceremonial act (Parker, 2007). And there are examples of non-profit organisations exhibiting a `taken for granted` perspective on the efficiency and effectiveness of their operations (Meyer et al, 2013). Overall, a major focus on portrayal rather than action indicates legitimation (Mouritsen and Skaerbaek, 1995).

3.2 External Legitimation

An important dimension of legitimating behaviour is the way organisations seek to project a particular image (modern, efficient, responsive) to their external controlling environment (Meyer and Rowan, 1977). In the case of charities, a preoccupation with the views of multiple stakeholders such as donors, service users, oversight bodies and regulatory agencies is important for organisational legitimacy. The desire for this organisational legitimacy may mean organisations must engage with the external world by creating a defensible, justifiable narrative around their continued existence. The uncertain environment in which charities operate, coupled with increasing pressures to become more business-like make these organisations particularly susceptible to legitimating accounts becoming dominant. However, the interaction of organisations and their environments has become a focus of lively debate.

3.3 Processes of Legitimation

In this section we examine two influential theorisations of how legitimacy is achieved. The first of these is isomorphism as advocated by Di Maggio and Powell (1983). The second of these is bricolage as advocated by Levi-Strauss 1966.

Isomorphism

There is now a significant body of knowledge which challenges the isomorphism thesis. One distinct feature of this is the potential for variation in organisational practice, instead of uniformity (Lounsbury, 2008). This perspective recognises the potential of local norms and values in shaping organisational legitimacy (Clegg and Gordon, 2012). This perspective challenges the presumption that entities seeking organisational legitimacy by being different are in some way foolish (Lepoutre and Valente, 2012). This emerging perspective recognises the potential for purposeful agents within organisations shaping and reshaping values, norms, and legitimation (Drori and Honig, 2013). With this interpretation there is potential for multiple narratives of what constitutes legitimacy within the organisation (Landau et al, 2014). In the contested space of the organisation, managers with significant agency may mobilise ideas of legitimacy in the pursuit of specific goals (Peeters et al, 2014; Kannan-Narasimhan and Lawrence (2017). The outcome of these more complex expressions of legitimacy within organisations may have the organisation as a contested space. Most importantly, this research challenges the depiction of organisational legitimacy as uniform and the behaviour of actors within organisations as passive.

Bricolage

The concept of bricolage originated from the French sociologist Levi-Straus (1966). The essential concept of bricolage is 'making do', or improvisation with whatever means are to hand to overcome obstacles, particularly where there is no evident blueprint for action. Typically underpinning the bricoleur's belief is a strong sense of 'self-efficacy' (Bandura 1977) - a belief in the ability to pragmatically find a solution to a problem relying firstly on retrospection - a review of prior experience, and then by finding an appropriate recombination of the current available tools at his or her disposal (Cartensen, 2017). The bricoleur assembles tools which are open to exploitation and adaptation and facilitate creative tinkering (MacKenzie, 2003) for the current purpose at hand (Freeman, 2007). Weick has deployed

bricolage as a central feature of sensemaking (Weick, 1988; 1993; 1995; 2010). The vision of the bricoleur is a helpful analytical starting point for explanations of political action (Carstensen, 2011). Adopting a bricolage approach to the study of crisis, means that those involved rely on organizational memory and work with familiar objects allowing them to immediately engage in a crisis resolution process (Duymedjian and Ruling, 2010), by combining these resources in new ways (Baker and Nelson, 2005). The focus of the bricoleur is on getting a heterogeneous set of ideas to work (Carstensen, 2011). The bricoleur assembles new policies onto existing institutional frameworks (De Jong, 2013). Resilience in times of crisis is underpinned by versatility (Duymedjian and Ruling, 2010). These concepts offer a different perspective on how NPOs tackle management issues and gain legitimacy.

3.4 The Positivist Critique

A fundamental question was asked by Lapsley (1999) regarding legitimation: do management practices make a difference (substantive impact) or are they only about legitimating or window dressing? This question captures the fundamental tension between positivists and social constructionists. In this paper we describe the positivist critique as functionalist. This simply means that advocates or adopters of management techniques or practices expect them to make a difference. The functionalist interpretation of organisational life is deemed to be the most dominant framework in the study of organisations (Burrell & Morgan, 1979; Lukka, 2010). Scholars predominantly identify with ideas of practicality rather than social construction. The positivist perspective aims to provide rational explanations of social phenomena and presumes that well-functioning organisations have rational structures and systems (Clegg and Gordon, 2012). The positivist critique is extremely pragmatic, focusing on gaining an understanding of society which generates knowledge that is both practical and useful. It aims to provide practical solutions to practical problems, understanding how order, equilibrium and stability can be maintained in society (Burrell & Morgan, 1979). Most famously, this 'can do' approach is espoused in many Harvard studies (see Cooper & Kaplan, 1992; Kaplan & Norton, 1992) and provides a deterministic view of the organisation. Within this perspective, organisations have clarity and unanimity over goals and objectives which they strive to attain. Human nature is depicted as calculative and rational, but also generally passive (Hopper & Powell, 1985). Business techniques are deemed to improve performance and management is viewed as a solution to business problems. Proponents of this critique would not expect to encounter

examples of legitimating behaviour in organisations. This paper explores this tension between social construction and positivism.

In this study, the case studies provide insights into the perception of business professionals and their contribution in three charities. This evidence challenges the thesis that organisations undertake isomorphism to present themselves as similar, in an act of legitimacy (DiMaggio and Powell, 1983). Instead, this paper offers evidence in support of the Lounsbury (2008) and Deephouse (2017) observation of variations in practice. The case study evidence challenges the view of actors within organisations as passive in the face of external legitimating pressures. The case study evidence reveals both legitimating and instrumental behaviour in the use of business experts, plus an example of conflicting perspectives on the merits of business expertise (Landau et al, 2014). There is strong evidence in two case studies of bricolage: circumstances where NPO managers turn to what is at hand to improve business practices. These findings underline the significance of local actors (Clegg and Gordon, 2012) in shaping organisational behaviour (Drori and Honig, 2013).

4. RESEARCH DESIGN

This study investigates the specific research questions:

(RQ1) “How important are charity boards in the identification, adoption and implementation of new business practices?” And

(RQ2) “Is there evidence of the adoption of business-like practices undermining the ethos of the case study organisations?”

These are addressed by examining how board members of charities (a subset of NPOs) with a business background contribute to the governance and management of these organisations and examines whether this conflicts with the unique social mission of charities. The research setting was the Scottish charity sector with a distinct focus on large charities with an income more than £5m. This threshold was identified as a level at which there was more likely to be external business experts as non-executive directors and where the management of the organisation may be more challenging than in small charities. These large organisations make a significant contribution they make to the Scottish economy (OSCR, 2019). An exploratory survey of

charities with an income of over £5m was conducted with the board of trustees of these charities, who are responsible for the governance and strategy of a charity and ensuring effective administration of the charity (OSCR, 2016). The survey asked for information on non-executive directors and their qualifications and their involvement with the charity. Respondents were given an opportunity to explain if they had made any significant management changes within their charity.

Cases were selected from the three largest charity sectors: housing, education, and human service. There were 150 charities with turnovers over £5million (38 Housing Associations; 70 educational organisations and 42 human service organisations). There was a 68% response rate (28 Housing Associations; 43 education organisations; and 31 human services organisations). The selection of the three case study sites was straightforward. The Housing Associations show a significant tendency towards the recruitment of accountants as non-executive directors with some 64% of all non-execs being accountants. The Housing Association included as a case study had not only recruited one of the highest numbers of accountants, but it had also recruited three very high-profile accountants as non-execs. As accountants ourselves we were intrigued to see what kind of impact accountants had on practice. In the other sectors (Education and Human Service) the rationale for the selection of the case studies was quite different. In both these sectors, the charities had recruited non-exec directors with varied expertise. However, there were only two case studies (one in education and one in human service) which had reported the implementation of significant management changes on the advice of their non-exec directors. These organisations were our other two case studies.

The case study sites were anonymised and given the pseudonyms: House Charity, SoCare Charity, and Edu Charity.

Table 2. The Study Settings

Sector	Case	Mission
Housing	House Charity	Working to improve homes, improve lives, and develop communities.
Social Care	SoCare Charity	To support independent living.
Education	Edu Charity	To change lives through learning.

Due to richness of data (Stake, 1995) the case studies allowed for a more in-depth understanding of the role of business knowledge on charity boards and whether their ideas penetrated the organisation or whether they had a more ceremonial or symbolic role (Meyer & Rowan, 1977). The advantage of case studies is they support the use of a variety of techniques for data collection (Bryman, 2015; Stake, 1995). Data was collected from two main sources: documentation and semi-structured interview

Documentation:

In each case, documents were collected which enhanced the understanding of the role of board members with a business background. Examples include policy documents on recruitment of board members, skill requirements, and outline of trustee roles.

Semi-structured interviews:

Semi-structured interviews were conducted with 16 key informants, namely the chief executive, the chair, and board members of each case study charity. Board members were identified by charities as having specialised business knowledge and were appointed by the charities for this knowledge. All have experience in the for-profit sector. Board members with business expertise were asked about their background including employment and previous involvement with charities. They were asked about their role as a board member, and for examples of how they used their specific knowledge on the board. They were also probed as to whether they felt that effective use was made of their knowledge on the board, and their understanding of the charity sector in contrast to the for-profit sector. The chief executive and chair were asked about their perceptions of board members with a business background, how they contributed to the board, and whether such contributions from business were ever at odds with the values of the charity. Information about interviewees and their professional background can be seen in table 3:

Table 3: Interviewees

Interviewee	Role	External expertise/ background
Chief Executive (CE1)	Housing	Background - accountant
Chair (C1)	Housing	Accountant
Board Member (BM1)	Housing	Accountant, working as director of finance in large public sector organisation
Board Member (BM2)	Housing	Business manager

Board Member (BM3)	Housing	Manager in a local business
Chief Executive (CE2)	Social Care	Background – social care practitioner
Chair (C2)	Social Care	Politician
Board Member (BM4)	Social Care	Management Consultant
Board Member (BM5)	Social Care	Accountant
Board Member (BM6)	Social Care	Accountant (currently working in the public sector)
Chief Executive (CE3)	Education	Background – further education sector
Chair (C3)	Education	Public sector
Board Member (BM7)	Education	Finance professional
Board Member (BM8)	Education	HR professional
Board Member (BM9)	Education	Accountant
Board Member (BM10)	Education	IT specialist

All interviews were recorded, transcribed verbatim and coded by the researchers to enhance familiarisation with the data. A thematic analysis of interview transcripts and other documents was undertaken with the themes based around the recruitment, contribution and perceptions of board members with business knowledge.

5.THE INFLUENCE OF BUSINESS EXPERTISE ON CHARITY BOARDS

This section presents the findings of this study, case studies provide insights into the perception of business professionals and their contribution in three charities. This evidence challenges the thesis that organisations undertake isomorphism to present themselves as similar, in an act of legitimacy (DiMaggio and Powell, 1983). Instead, this paper offers evidence in support of the Lounsbury (2008) and Deephouse (2017) observation of variations in practice. The case study evidence challenges the view of actors within organisations as passive in the face of external legitimating pressures. The case study evidence reveals both legitimating and instrumental behaviour in the use of business experts, plus some evidence of conflicting perspectives on the

merits of business expertise (Landau et al, 2014). The managers of these case study settings were not infused with ideas of managerialism: but they were pragmatic and there is evidence of bricolage where they adopted and implement new business practices which were to hand and which improved their effectiveness. These findings underline the significance of local actors (Clegg and Gordon, 2012) in shaping organisational behaviour (Drori and Honig, 2013).

5.1 Businesspeople on Charity Boards: Case Study Evidence

Within these case studies, there is clear evidence which challenges the presumption of all organisations undertaking isomorphism (DiMaggio and Powell, 1983) for organisational legitimacy. Instead, there is clear evidence of variation in practice (Lounsbury, 2008; Deephouse, 2017), of local influences at work (Clegg and Gordon, 2012) of purposeful agents shaping behaviour within organisations (Drori and Honig, 2013) and the possibility of multiple interpretations of what organisational legitimacy means (Landau et al, 2014). The evidence from these case studies offers differing interpretations of organisational behaviour: a clear example of the use of business expertise as legitimation (House Charity case study); an example of business expertise as bricolage in which NPO managers turned to new business practices at hand to achieve functional improvement (SoCare Charity case study); and a third case study which reveals a bricoleur's attitude to the instrumental use of management experts, but with some tension between ideas of legitimation and functionalism (Edu Charity case study).

5.1.1 House Charity: Business Expertise as Legitimation

House Charity is a housing association, which describes itself as 'a charitable organisation supporting local communities by providing and developing high quality affordable homes and housing related services. At present House Charity own more than 17,000 properties across east and central Scotland. House Charity have 35 employees and are governed by a management committee of 12 members made up of individuals from a variety of backgrounds and experience. There are five individuals on the board who may be described as having business expertise; two members have accounting backgrounds - one a retired accountant, and the other a finance director within a large public sector organisation, there are also three

members with significant managerial experience in local businesses. The Chair was also an accountant.

This case exemplifies a classic case of legitimation. There is clear evidence of the use of business language to convey an impression of being 'business like' (Berger and Luckman, 1967; Meyer and Rowan, 1977; Sanders and McLellan, 2014)). There is a narrative of talking about (Brunsson, 1994) rather than using business expertise, an example of portrayal rather than action (Mouritsen and Skaerbaek, 1995). From the outset, the use of business language was prominent in this case, for example the organisation was referred to as a 'business' in both the annual report, and by both the chief executive and board members on several occasions. Another board member (BM3) referred to the tenants as 'customers' and noted that the organisation was increasingly becoming more focused on 'the bottom line'. The chief executive highlighted the importance of having businesspeople on the board, with reference to recruiting board members he noted that 'you are really looking at business skills first and foremost'.

The importance of business skills was attributed to the nature of the organisation, with CE1 perceiving a change in the nature of the organisation from what he termed a 'social business' to 'a more finance-based business'. Recent refinancing of the organisation was deemed to be highly complex and was given as example of why businesspeople were so important to have as board members:

last year we refinanced again and just the whole complexity of the whole process; it involved things called derivatives and swaps and rolling loans, things that I don't really understand because you're talking about real specialist finance that you're using experts for, and you're expecting committee to actually make decisions on these...the world we're in is a much much more complex place and the risks are quite different, so it's making sure the committee are strong enough.

Despite this apparent desire for business skills, such individuals seemed to have more of a legitimating role and there was little evidence in this case of any significant influence on operational or strategic activities at House Charity from those with business expertise. An example relates to the skills audit of the committee, where CE1 noted:

we do have a formal skills audit of the committee...I say we have it, it's built into standing orders...earlier this year was the first year we'd actually formally done it.

Despite emphasis on the importance of having business skills on the board, little has been done to uncover the expertise available or to utilise the skills of individuals on the board, this is a clear example of legitimisation. There was further evidence of expertise not being used, referring to an expression of interest from the chief executive, BM2, a business manager, noted:

...he's very keen to take on ideas and he has said to me a couple of times 'I might give you a shout if you don't mind and ask you how you deal with that in X',

However, it was then noted that the chief executive 'never has done', highlighting that it didn't happen, despite the apparent willingness of the board member to offer their expert knowledge.

Similarly, we can see evidence of an apparent lack of desire from businesspeople to bring their skills to bear, the following quote from BM1 who works as a director of finance demonstrates this:

...they want me to take over the role of Treasurer, and they had raised that at my one-to-one appraisal type session and I thought 'oh great, I didn't want to get involved in finance and they've asked me to be the Treasurer

There is a presumption that people want to come onto boards and use their specialist expertise, however they may have different motivations and come in for different reasons, for example to do charitable work or to learn a new skill, or for personal reputational reasons. There were also instances where businesspeople did show a desire to use their skills and communicated their frustration at current practice. An example of this can be seen from BM3, a manager in a local business:

it's interesting, because the feedback I got when I first started from the actual people who work there, the people who are on the payroll, they'd say 'thank goodness you're here because you're asking questions', because it was really demoralising for them spending time putting papers and stuff together and nobody asked a question about it. But sometimes it gets to the

stage where I almost kind of apologise now because I think it's me that's asking questions all the time and nobody else...but sometimes for those older people, or longer serving people sitting round that table, you almost think you're an irritation...

Similarly, BM3 referred to a recent appraisal style meeting between individual board members and the chief executive and chair. There was a frustration on the part of BM3 over a lack of feedback:

there wasn't proper feedback... to me there should have been a discussion at that meeting as well in terms of 'well actually we think you're bringing something, or we think you're bringing nothing.

It is clear from this case study that although there exists a desire to have businesspeople on the board, they have made no substantive impact and their presence appears to be merely a form of window dressing, or legitimisation of the board. This case fits with Darts (2004) notion of NPOs becoming business-like in their rhetoric, whereby being business-like is merely linguistic rather than substantive. Here NPOs refer to themselves as businesses and use business terminology, yet this has minimal meaning. As a result of this lack of impact, there was no evidence to suggest the presence of businesspeople had resulted in any tensions in the pursuit of social mission. The non-executive business experts had no significant impact on practice. The non-exec directors in this case study were mainly used to project an image of a modern, effective organisation, but little use was made of their experience and expertise. This was a clear case of elaborate window dressing and legitimisation. This was a disappointing outcome for this research team. As academic accountants we selected this case study because of the accounting expertise available to it. We were keen to see how impactful these accountants could be in helping this NPO improve its management, but there was no evidence of this.

5.1.2 SoCare Charity: Business Expertise as a Functional Improvement

SoCare Charity was established in 1989 and provides support services to individuals with learning disabilities across four local authority areas in Scotland. At the heart of this organisation is independent living, and the belief that people should have the support they need, delivered in the way they want, to live their chosen lives. The services they provide range from

a couple of hours of support per week to 24 hour support to 140 people, with ages ranging from pre-teens to individuals over 80 years of age. They also run a short stay (residential respite) service for adults with a learning disability living in the local area. The charity currently employs 300 staff and has a membership base of approximately 100. They currently have a turnover of £6 million. The board has 15 members, there are four members of the SoCare Charity board who can be described as ‘business people’; a local businessman, a managing director of a firm of management consultants, and two accountants.

A fundamental question is whether the actions within organisations could be substantive or legitimating (Lapsley,1999). This challenges the presumption of social construction by legitimation theory. But it also challenges the presumption of functionalists that management techniques and technologies can make a difference to organisations. SoCare Charity case study is a clear example of functional improvement through the adoption of business expertise. The most significant business practice was introduced by an external specialist who is a member of the board. What is particularly interesting about this innovation in business practice is the evidence of shared understandings of the practice and of its significance in improving the efficiency of this social care organisation.

The chief executive conveyed a strong desire to fully utilise the expertise of all board members, and those experienced in the business world, with board members required to carry out a self-assessment to identify their skills and where they felt they could contribute. It was apparent from this case that business skills were being used within the organisation and there was no sense of this expertise being at odds with the values of the organisation, with BM4 referring to governance as being ‘value-led’. All board members talked about the values of the organisation, which were regularly revisited, with independent living at the core of the organisation.

It was clear that all businesspeople were keen to use their expertise to benefit the organisation and there were several examples of how they had contributed. The most substantive impact in this case has been in the form of the management consultant (BM4), who was the key driver behind the adoption of the current governance model – the Board Cycle – which is central to the running of the organisation. The management consultant – who works with boards as part of his day job – suggested the model, which was drawn from the work of Bob Garratt (2003). These ideas were taken forward by both the management consultant and the chief executive on

what became a shared vision to change the governance of the organisation. The focus of the board cycle is that it allows the main responsibilities of the board to be addressed, namely: direction setting; strategic thinking; monitoring and evaluation; and accountability via themed monthly board meetings. All members of the board who were interviewed were positive about the board cycle, for example, BM6 noted that ‘it’s one of the best structured pieces I’ve seen’.

When discussing the board cycle, BM4 noted:

I do use it as an example because I do work with boards in the private sector and I have drawn on the experience to say ‘look, when you’re struggling about how you...the process you use, you know I’m on a board, it sits, we meet for two hours a month, we’ve got a yearly cycle of activities, and it’s quite an eye opener to some people, that you can actually get through and run a relatively biggish organisation, 5/6 million pounds a year organisation on that basis, with people who are volunteers, and not getting paid for it.

Further examples of how business expertise was used came from BM4 who highlighted his push towards collaborative working:

I tend to focus on the governance issues, on how the Board works together and also because one of the areas we work on here in our consultancy is around collaborative working I’ve been pushing this agenda about really getting into partnership and collaborative working with local authorities where there’s historically been some tensions in the past.

Other areas where businesspeople were deemed to be central included the formulation of a strategic plan and risk map, and the presence of an internal audit function, with the audit committee chaired by BM5, an accountant. BM5 also noted using his expertise to give ‘reassurance on the financials’ with ‘some input into practices and procedures’ and was positive about the way in which business expertise was used on the board. BM6 also felt that his experience was utilised on the board and noted that small working groups of 2-3 people were formed outside the board where ‘different expertise comes in at different areas’ to work on specific items such as preparing a bid/ tender for an area of work, or setting rent levels.

This case represents an example of what Dart (2004) deemed becoming business-like in their organisation. In this case it is apparent that business expertise has made an impact on the

organisation, where the board cycle has become part of the organisations formal structure, far from being merely an act of symbolism (Meyer & Rowan, 1977; Brunsson & Sahlin-Anderson, 2000), the cycle appears embedded into the organisation and is fundamental to the way in which the organisation is governed. The use of business expertise in the case was welcomed, with the businesspeople very much aware of the core values of the organisation. Their influence was seen as contributing to the success of the organisation in pursuing their mission.

5.1.3 Edu Charity: A Tension between Functionalism and Legitimation.

Edu Charity is a further education college which was founded in 1968 and provides vocational, post-school education and training. Its mission is to transform lives through learning. The college is primarily funded through the Scottish Funding Council on behalf of the Scottish Government, with a total annual income of £31.5 million. There are 14 board members, four members have business expertise. It was established from discussions with both the chair and the principal that there were procedures in place to ascertain the expertise possessed by board members, for example, one to one meetings with the Chair and each board member to establish the individual board members interests, and the placing of board members onto committees with consideration of their specific expertise.

This organisation, on the face of it, may seem a natural case for legitimation. As an educational organisation it faces the kind of external pressures elaborated upon by Meyer and Rowan (1977). The pressures to recruit business expertise could easily become part of a projection of an organisation which is modern in name only. However, the evidence from this case study challenges the presumption of organisational actors as passive in the face of external pressures for legitimation. There is clear evidence of purposeful agents in action (Drori and Honig, 2013) and of multiple interpretations of how this organisation should conduct itself. This organisation sits on the cusp of functionalism and legitimation with examples of both types of behaviour. A clear example of variation in practice (Lounsbury, 2008, Deephouse, 2017).

For example, there was a varied response from board members in terms of whether they felt that best use was being made of their skills. Board members with specific business expertise included: finance, IT, accounting, and HR. There was a sense that despite a desire by some businesspeople to contribute, in practice this was merely aspirational and presentational. For example, BM7, from the finance industry discussed at length his ideas for Edu Charity in terms of how they could link with his area:

...the College should be servicing that sector in some shape or form, and it doesn't really at the moment. So, trying to get the College to think about what it might do in that area, for example, through the provision of commercial training courses...

This example shows an evident desire from BM7 to use his background to contribute to the College, but at present nothing has been put into practice. However, this college has limited short course training on offer. It specialises in sub-degree qualifications and early stages of professional qualifications. While this board member is entirely correct in identifying the opportunity in his industry, he is unaware of the limited expertise in the finance area at the disposal of this college and the difficult market in recruiting lecturers with this expertise. But this tension could have been handled better by the college.

Similarly, BM9, who has an accounting background set out his frustration at not being able to fully utilise his skills on the board and questioned whether senior management did actually have a good understanding of the skills possessed by the board:

I've been involved in business, particularly in commercialisation, so I'd like to believe I've got a fair bit of experience, know-how, and have a lot to offer...Barely ever been discussed...I've been here for the last 4, 5, 6 years or so, and yet I've had no contact about that at all, no issues about that, so yeah, that part of my expertise and background is not tapped into.

There were however also examples where it was apparent that businesspeople **did** make a substantial contribution to the organisation. For example, BM8, who has an HR background had a specific interest in continuous improvement and had used his skills to benefit Edu Charity:

I'm a big fan of processes so a lot the stuff that the College has done around KPIs, and around the World Class Indicators, and around improving processes has been initiated by me...I've done some stuff for the College as well in terms of trying to help some of their managers develop skills in the area of lean process improvement, so I've done some training with their managers. So, in that respect I think that the College have used my expertise quite a lot...

This business member has clearly had an instrumental role in the organisation, with the introduction of KPIs and training on lean process improvement.

BM10, an IT specialist, recalled how he had been recruited by a previous Finance Director who had contacted him regarding issues the College was having with its IT systems. The contribution made by this member is outlined below:

...because I have pretty good experience in IT, I'm constantly being asked to be involved with things to do with IT strategy...But also because I have experience in the private sector, people try to call on that from time to time...

BM9, an accountant, described his role in interpreting the financial information presented to the board:

I think, unlike colleagues who are not familiar, I understand being able to challenge the executive in terms of...I guess it's the ability to understand how the finances translate...in terms of the performance of the College.

This case study may be seen as presenting a tension between functional and legitimating interpretations of organisational life in relation to business expertise. However, there is also evidence of bricolage as the college turned to expertise on hand. We can see a substantive impact from BM8, the HR professional in terms of his work on continuous improvement and other perhaps fewer substantive contributions in terms of accounting and IT. Other contributions were however more aspirational in nature. This case would appear to contain aspects of all three ways in which Dart (2004) highlighted that NPOs could become business-like. For example, there is a sense of the importance of the legitimating influence of business rhetoric – for example from the accountant – and a sense of the inclusion of businesspeople for legitimisation. There are examples of the organisation becoming business-like in its goals, for example the existence of the College commercial company, with businesspeople contributing to the identification of income generating opportunities, such as executive training alongside a commercialisation sub-committee existing to generate additional sources of income. Finally, there are examples of the College being business-like in its organisation, for example with the importance placed on the KPIs. However, and most importantly, despite the presence of

businesspeople and some pragmatic, bricolage providing substantive impact, there was no sense that these changes were at odds with the core mission of the organisation.

6.CONCLUSION

NPOs are facing ever increasing pressure to become more business-like while in pursuit of their social missions. This paper has focused on one aspect of this debate, the impact of business expertise on the boards of charities – a subset of NPOs. This was investigated through three in-depth case studies of Scottish charities. A complex story was presented, and this paper supports the view that non-profit organisations are increasingly turning to external business experts as parts of their governance systems. The outcome of this research is organised in two sections: (1) Key Findings and (2) Implications of this paper's research findings.

(1) Key Findings

The case studies confirmed the presence of external experts on charity boards, with an apparent consistent desire in each case from the chief executive and chair to utilise this expertise within the organisation. However, the impact of these board members is mixed in our case study sites. These case studies confirm the rejection of isomorphism (DiMaggio and Powell, 1983) as the natural order for charities and support the thesis of variation in practice (Lounsbury, 2008; Deephouse, 2017). These case studies reveal the significance of the local (Clegg and Gordon, 2012) and the presence of purposeful agents shaping behaviour (Drori and Honig, 2013) and the potential for multiple interpretations of organisational behaviour (Landau et al, 2014). There is evidence of bricolage at work in two of our case studies, where the management were pragmatic in accepting and implementing business practices which were made available by their non-executive directors.

At the SoCare Charity external expertise achieved virtual transformation of governance in the organisation through the introduction of the Board Cycle. In this case study there were further examples of the Chair and the CEO taking the bricoleurs pragmatic approach in implementing ideas from their non-executive directors. The evidence of a receptive context for receiving and acting on ideas about new management practices from board members with business expertise is evident at SoCare Charity but there are mixed results from the other case studies.

There is evidence of managers as bricoleurs with the board at Edu Charity, where some Board members have business expertise which is used effectively by the organisation, notably in personnel matters. However, there were other members of the Edu Charity board who felt that they were there almost for decorative purposes, a legitimating use of their board membership. The House Charity case study offers the strongest evidence of board members being used for legitimating purposes. In this case study the members who tried to conduct business in a functionalist manner were frustrated by the organisations legitimating stance. An overview of results is shown in table 4.

Table 4 Overview of Case Study Results

Case Study	Business-like Behaviour	Mission Drift	Legitimating Behaviour
House Charity	Aspirational, more evident in language than practices implemented.	No evidence of mission drift.	Clear example of legitimization
SoCare Charity	Substantive, evidence of implementation/ use of expertise.	No evidence of mission drift, clear focus on values.	No. Bricoleurs at work with business experts (Non-executives on charity board)
Edu Charity	Both substantive and aspirational behaviour, evidence of expertise being both utilised and overlooked.	Potential for mission drift, importance of a more commercial focus highlighted.	Mixed. Some effective bricolage. And some hints of legitimization.

2. Implications of Findings.

The implications of these findings for the NPO community, for oversight bodies and researchers are important.

Firstly, from the perspective of anxious NPOs, or from oversight bodies and researchers, there was no evidence of tensions between social mission and the application of business expertise in this study. This is important because previous studies which consider charities engagement with business have raised concerns surrounding the impact this has on the organisations ability in continuing to pursue its social mission. For oversight bodies who advocate external business

experts on charity boards, for the Chairs and CEOs of charities and for researchers, this evidence should reassure these three different groups on the merits of NPOs adopting business practices.

Secondly, there are important lessons from our most successful case study, SoCare Charity in establishing a receptive context for the acceptance and adoption of new business practices. The Chair and CEO are bricoleurs who work closely with business experts who are their non-executive directors. These regular meetings establish an agenda over the non-executive's expertise and its relevance to the NPO. In this case study the Chair and the CEO are not infused with ideas of management. They are both utterly committed to the social mission of their charity. And yet they are both pragmatic and prepared to turn to ideas at hand, like true bricoleurs, to make their charity more effective. Other charities would do well to emulate this approach. These issues are important for charities, but also advocates of improving business expertise such as oversight bodies. Researchers may find the incidence of like-minded NPOs is a most worthwhile project.

Thirdly, a major implication of the research findings is the evidence that key actors with different occupational backgrounds may have important implications for the application and implementation of new business practices. At SoCare Charity, the Chair was a politician, and the CEO was a social worker. They worked as a team with their non-executive directors. There has been a certain preoccupation on the part of the other charities with the appointment of accountants as non-executive directors. If these non-execs do not have a well-defined role, it looks like an inevitable progression from lack of role, lack of engagement to more ceremonial or legitimating functions for these non-execs. The incidence of this kind of legitimation is of obvious interest to academic researchers, but it should be of major interest to oversight bodies. As advocates of adding business experts to charity boards, oversight bodies should develop guidance on how to recruit and how to get best use out of external business experts. The legitimating role for non-execs may please some charities because it doesn't rock the boat. But it is a missed opportunity. The move to legitimating activity may be deliberate (as appears to be the case with House Charity) or may be accidental (as appears to be the case with Edu Charity). From an oversight perspective, the face value of having lots of business experts on charity boards may pose a severe test of their credibility. This issue is of evident interest to academic researchers and the Chairs and CEOs of charities.

Fourthly, this study looked at altruism. There are well established concepts and understandings of different kinds of altruism. One form of altruism which is not highly regarded is reciprocity. From a purist perspective this is seen as in some sense demeaning the social mission of NPOs who receive this kind of contribution. However, if we examine what has happened in the successful application of this in SoCare Charity, there is a case for a more relaxed acceptance of the value of reciprocal altruism to the charity sector.

Finally, this study offers evidence of legitimating behaviour. This is most marked in case study House Charity. In this case study the NPO has recruited Non-Executive Directors at the behest of its charity regulator. However, this was a clear example of a classic case of appearance rather than substance. While this charity had expertise in place the managers chose not to draw on expert advice and the Non-Executive Directors in this case had a ceremonial role. This is frequently found outcome where there are indications of coercive behaviour by outside influences. But the significance here was the limited nature of legitimating behaviour in these studies.

There are, however, limitations in this study. The focus here was on Scotland, and large charitable organisations, results are therefore not generalizable to all other forms of charities or all settings. . There is need for further research in this area in other study settings. More research is needed to shed further light on the puzzle of how business expertise helps or infiltrates charities.

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