

The distinctiveness of smaller voluntary organisations providing welfare services

Accepted for publication in the Journal of Social Policy 22 November 2021

Keywords

Voluntary Sector Organisations; Welfare Services; Stakeholder Ambiguity; Distinctiveness

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Competing interests

The authors declare none

Acknowledgements

The research underpinning this article was funded through a grant from the Lloyds Bank Foundation for England and Wales.

Abstract

This article presents empirical findings about the distinctiveness of smaller voluntary sector organisations (VSOs) involved in welfare service provision, based on in-depth, qualitative case study research. We identify a series of organisational features and practices which can mean that smaller VSOs are distinctive from larger organisations. These include how they are governed and managed, their approach to their work, and their position relative to other providers. To explain our findings, we draw on the concept of stakeholder ambiguity. This idea was posited by Billis and Glennerster (1998) and is commonly cited in relation to distinctiveness. We identified several manifestations of stakeholder ambiguity and confirm the concept's explanatory importance, although we argue that our understanding of distinctiveness is enhanced when stakeholder ambiguity is considered alongside other closely related features, such as being embedded in a local geographic community and informal, familial care-based organisational cultures. Our findings also highlight the fragility of smaller VSOs. We argue that this combination of distinctiveness and fragility creates a tension for social policy makers, many of whom recognise the value of smaller VSOs and the risks that they face but must weigh this against a requirement to allocate resources for statutory services as effectively as possible.

1. Introduction

This article presents the findings of an empirical study on the distinctiveness of smaller voluntary sector organisations (VSOs) in England and Wales. The extent, form and function of VSO distinctiveness has been debated by academics over several decades (Macmillan, 2013; DiMaggio and Anheier, 1990) and is seen as having important social policy implications. These include the role of VSOs in public service delivery, and their broader relationship to the state (Rochester, 2013; Milbourne and Cushman, 2015; Buckingham, 2009; Smith and Lipsky, 1993; Kramer, 1994). Distinctiveness also relates to questions of why a voluntary sector exists to begin with, at least within the realm of welfare services, and has not been selected or crowded out by competition from the state and market (Dahlberg, 2005; Billis and Glennerster, 1998). Elsewhere, including Europe, distinctiveness is a recurrent theme in discussions around the definition and boundaries of the sector, and its potential hybridity (Evers and Laville, 2004).

The theory of voluntary sector comparative advantage, set out in the *Journal of Social Policy* by Billis and Glennerster (1998) over two decades ago, is particularly widely cited in reference to the debates around the distinctiveness of VSO's provision (Macmillan, 2013; DiMaggio and Anheier, 1990). The theory contends that in some circumstances smaller VSOs have an advantage over (larger) public, private and voluntary sector organisations in the delivery of human (welfare) services. It suggests that this advantage lies "*in areas where their distinctive ambiguous and hybrid structures enable them to overcome problems*" associated with personal, societal and community disadvantage (p.95). This advantage is said to stem from 'stakeholder ambiguity', a distinctive feature of smaller VSOs which means their stakeholders – such as staff, volunteers, trustees and service users - are more likely to have multiple and overlapping roles, which can reduce the gap between users and those responsible for governance, management and service delivery, resulting in greater institutional sensitivity to and knowledge about service users' needs.

Despite being very widely referenced, and Billis and Glennerster (1998) calling for further research to test and develop their theory, the concept of stakeholder ambiguity has received relatively little direct exploration. Although it *has* helped to provide hypotheses for quantitative work on the distribution of Voluntary Sector resources (Clifford et al. 2013), and is widely cited in qualitative work, there is not a body of significant work which directly examines stakeholder ambiguity and its relationship to other distinctive features of smaller VSOs through in-depth qualitative research.

This article, therefore, contributes to the debates around the distinctiveness of VSOs in welfare service delivery, and particularly the role of stakeholder ambiguity within smaller VSOs, through contemporary, empirical qualitative research. It addresses the following research questions:

- To what extent and in what ways do smaller VSOs providing welfare services exhibit distinctive characteristics?
- To what extent can stakeholder ambiguity help to explain these?

Our contribution is threefold. First, we identify how smaller VSOs are distinctive to other providers in three main ways: how they are governed and managed, how they approach their work, and their position relative to other types of providers. Second, we suggest that stakeholder ambiguity has some explanatory importance when it comes to distinctiveness but also highlight other closely related features such as being embedded in local geographic communities, informal, familial organisational cultures and a person-centred ethic of care. Third, we highlight the fragility of smaller VSOs and argue that this combination of distinctive features and fragility creates a tension for social policy makers who must weigh the benefits of working with smaller VSOs against the need to allocate scarce resources as effectively as possible.

2. Background

A longstanding, international body of literature has sought to explain the continued existence of the voluntary sector based on its relative benefits compared to other sectors. Weisbrod (1986) notably pointed to the comparative failure of the state to provide collective goods, whilst Hansmann (1980) pointed towards market failure, suggesting that VSO's 'non-distribution constraint' made them appear more trustworthy to donors and funders. Salamon (1987), in contrast, suggested that the voluntary sector often provides the first response to welfare needs, but requires partnership from the state to balance out its own purported 'failings': a lack of resources, inequitable provision, paternalism and amateurism.

In response, Billis and Glennerster (1998) suggested that insufficient detail is paid to the *positive* features of VSOs. They argued that VSOs are distinctive because they retain their roots in the associational 'world', rather than that of private or public sector bureaucracies, or the world of personal relationships. Associations resolve problems and coordinate action based on membership, shared ownership and voting. Despite taking on some bureaucratic attributes of public sector organisations and large charities, such as paid staff, hybrid 'Voluntary Agencies'

like the smaller VSOs covered in this article also maintain several informal associational characteristics. They are more likely to involve volunteers, receive donations or membership fees, and to be accountable to a range of overlapping stakeholders, including board members, staff, funders, members, volunteers and users. Crucially, individuals might hold several of these roles, simultaneously or sequentially. Billis and Glennerster (1998) described this as 'stakeholder ambiguity', which they claimed allows VSOs to be more effective at delivering certain types of service to certain types of service user. They further suggested that when financial disadvantage combines with personal, social or community forms of disadvantage, stakeholder ambiguity enables a more sensitive and flexible service. A smaller, blurred gap between users and those in authority could mean greater motivation, sensitivity to, and knowledge about user needs.

The small size of most VSOs relative to public and private welfare providers - in 2015-2016 97% of all charities had an income of £1 million or less (NVCO, 2018) - is central to the idea of stakeholder ambiguity. Billis and Glennerster (1998) suggested that as VSOs grow larger, stakeholder ambiguity, distinctiveness and comparative advantage - in terms of efficiency, effectiveness and user experience - may decrease. The concept has been widely cited, with varying degrees of caveat, to reference the distinctiveness of smaller VSOs as welfare service providers (Milbourne and Cushman, 2015; Harris et al., 2003; Rochester, 2013). Stakeholder ambiguity, these authors claim, *might* lead to closer understanding of user needs, a more personal approach, greater innovation, creativity, flexibility, and sensitivity (Hogg and Baines, 2011; Bovaird, 2014).

Such 'distinction' claims are essentially assertions of value (Macmillan, 2013), used to jockey for position and resources by actors within the field of welfare delivery (Fligstein and McAdam, 2011). Beyond the concept of stakeholder ambiguity, the theoretical and empirical basis for sector-wide distinction claims, however, is limited (Miller, 2013). The Public Accounts Select Committee (PASC, 2008) described distinctiveness claims as largely "hypothetical or anecdotal" (p.3) echoing earlier US findings which found the evidence "vast and inconclusive" (DiMaggio and Anheier, 1990, p.149). Some authors in the US and UK (Kramer, 1994; Davies, 2008) have also suggested that claims of voluntary sector distinctiveness may unfairly characterise the state as comparatively remote and inefficient without sufficient empirical evidence.

Billis and Glennerster (1998) first published their article during the early stages of the reforms to welfare services based on the principles of New Public Management (Dunleavy et al., 2006) but before the 'hyper-active mainstreaming' of VSOs into many state funded service areas (Kendall, 2009) which gave rise to concerns over the impact on smaller, with many, including Billis (2010), arguing that they have been drawn away from their associational roots (also Milbourne and Cushman, 2015). As such, there remains a concern that the distinctive features that make smaller VSOs attractive service providers are being eroded by state funding. Rochester has suggested that the true 'value' of the sector may lie specifically with smaller VSOs, who retain their stakeholder ambiguity (Rochester, 2013). However, it is suggested that it is precisely these smaller organisations that were under most threat due to austerity (Aiken and Harris, 2017), which has led to greater income volatility and proportionally higher falls in income for smaller VSOs compare to other providers (Clifford, 2017).

Despite the popularity of the concept of stakeholder ambiguity and ongoing debates over the comparative advantages of VSOs, in the two decades since Billis and Glennerster's first article there have been limited efforts to directly explore the concept directly or in greater depth, as they called for in their initial article. The new evidence on the distinctiveness of smaller VSOs available through this study, combined with ongoing social policy debates concerning the voluntary sector's role in welfare service delivery, make this a timely opportunity address this gap.

3. Methodology

This article draws on data from a qualitative study of VSOs in four case study localities in England and Wales in 2017-18. The research was commissioned by Lloyds Bank Foundation for England and Wales, a grant funder of 'smaller VSOs' (defined as those with an annual income under £1 million but over £10,000), to better understand their distinctive characteristics and whether these provide any benefits in tackling disadvantage through welfare services (see Dayson et al, 2018). The focus of the study was also limited to 'voluntary agencies', which retain voluntary characteristics such as volunteers and donations, but employ at least one paid member of staff and are formally registered as charities (Billis and Glennerster, p.90).

How to define the size of VSOs is contested (Mohan, 2017), and any cut off point between 'smaller' and 'larger' organisations risks being arbitrary, particularly for borderline cases. This definition, however, is also used by the Small Charities Coalition in the UK, so aligns with the thresholds used in contemporary policy debates, particularly in the context of voluntary

organisations which employ staff. There is a relatively clear conceptual distinction between *smaller* organisations, which often operate locally, and those *larger* organisations managing multi-million budgets, which often operate regionally or nationally.

Administrative data sources and qualitative insights were used to purposively sample four local authority areas. They were distributed across geography, administrative status, deprivation, and the characteristics of the local population of VSOs. An overview of the four selected areas is provided in table 1.

Table 1: Overview of case study areas

Area	Location
1 Rural District	East Midlands, England
2 London Borough	London, England
3 Greater Manchester Borough	Greater Manchester, North West, England
4 Welsh Borough	Central Wales

In each case study area, exploratory stakeholder workshops were held to understand the local operating environment, attended by between 12 and 21 participants from VSOs, funders and umbrella bodies, and local public sector bodies who commission VSO services. Following each workshop, 7-8 semi-structured interviews were also conducted in each area with key stakeholders to explore key themes in more depth.

The main source of data for the study was twelve qualitative organisational case studies of smaller voluntary organisations (with annual income under £1 million and over £10,000), spread evenly across the four local authority areas. Although the research design was not inherently comparative (i.e., systematically comparing the case studies against equal numbers of larger voluntary organisations, or organisations from different sectors) we felt that it was important to provide an additional sense check to the accounts provided by the stakeholder workshops and the smaller VSOs themselves. To this end, we also included in our sample a further four case studies of ‘larger’ VSOs (annual income more than £1 million).

Interviewees in both the smaller and larger organisations were asked explicitly to consider their experiences and views concerning smaller VSOs in comparison to larger organisations. This

level of comparison does not allow us to make definitive causal statements on whether smaller VSOs have a ‘comparative advantage’ over other sectors, or even larger VSOs. It does, however, provide a much stronger foundation for claims and narratives concerning their distinctiveness, and the potential benefits or disadvantages of these differences, informed by a wide variety of in-depth, qualitative perspectives.

When selecting the four VSOs in each of the four areas, the following factors were considered: size; public service field, service user focus, and geographic coverage of the VSO. Each VSO selected derived their income from a combination of voluntary, public and trading sources and employed at least one staff member. Crucially, each organisation was in receipt of funding from the public sector to provide welfare services. Each organisation was also a registered charity and company limited by guarantee. An overview of the 16 VSOs studied is provided in table 2.

Overall, more than 150 people representing local VSOs, funders and umbrella bodies, and local public sector bodies participated in the research on the basis of informed consent. This included 120 participants in the case study research. An overview of these participants is provided in table 3. All interviews were transcribed verbatim and imported into NVIVO software for analysis. The study received ethical approval from the Sheffield Hallam University Research Ethics Committee.

Table 2: An overview of the VSOs studied at an area level

Org ID	Case Study Area								
	1. Rural District		2. London Borough		3. Greater Manchester Borough		4. Welsh Town		
Smaller VSOs	A	Medium (£493,000)	Provides an emergency hostel, move on accommodation, and advice and support.	Medium (£251,000)	Runs two centres for people experiencing street homelessness.	Medium (£153,000)	Supports the integration of asylum seekers, migrants and refugees.	Medium (£125,000)	Provides advocacy support for people with mental health problems.
	B	Medium (£407,000)	A community resource agency offering help and support to individuals and organisations facing disadvantage.	Small (£87,000)	Community hub that provides support and services for people facing disadvantage.	Medium (£813,000)	Delivers art-based services to support the recovery of people experiencing mental health difficulties.	Medium (£351,000)	Provides support for children and young people with disabilities and their families.
	C	Small (£41,000)	Church-led organisation delivering community projects aimed at tackling deprivation.	Small (£80,000)	Community-based mediation service providing alternative approaches to dispute and conflict resolution.	Medium (£251,000)	A faith-based charity providing emergency accommodation.	Small (£66,000)	Provides support for young people who are experiencing or are at risk of social exclusion.
Larger VSOs	D	Super-major (£158m)	A national charity that provides services to people seeking to overcome multiple and complex issues.	Major (£24m)	A London wide provider of domestic violence support and advice.	Super-major (£115m)	A national charity providing a wider range of health and social care services.	Large (£1.9m)	A Welsh wider charity that supports women experiencing domestic violence.

Table 3: An overview of research participants

Case Study Area	No of workshop attendees	No of stakeholder interviews	Number of research participants in each organisation			
			A	B	C	D
1	21	8	6 staff 1 volunteer 1 service user 2 stakeholders	5 staff 1 volunteer 4 service users 2 stakeholders	3 staff 1 volunteer 2 stakeholders	6 staff 1 service user 3 stakeholders
2	15	7	1 Chair 1 staff 4 volunteers	4 staff 4 volunteers	1 Chair 3 staff 3 volunteers 1 partner	3 staff
3	12	8	3 staff 2 service users	2 staff 3 service users	3 staff 2 service users	8 staff
4	18	8	2 staff 3 volunteers 1 service user 1 stakeholder	4 staff 7 volunteers 2 service users	3 staff 2 volunteers 3 service users 2 stakeholders	2 staff 1 volunteer 1 service user
Total*	66	31	120			

* In each area representatives of the following stakeholders were included: public sector commissioners, service leads and policy leads (local authority and NHS); local Council of Voluntary Service (CVS); VSOs providing welfare services

**Note that some people participated in the workshop and either a stakeholder or organisational interview. As such, these numbers should not be summed to identify the total number of research participants.

4. Findings

Our findings fall into two broad categories. First, we discuss how smaller VSOs are distinctive from larger providers in three main ways - how they are governed and managed, how they approach their work, and their position relative to other types of providers – and elaborate on some of the key organisational characteristics that bear this out, including the extent to which these could be characterised as stemming from stakeholder ambiguity. Second, we identify a number of more potentially negative features of smaller VSOs, some of which are also associated with stakeholder ambiguity, and present ongoing challenges to smaller VSOs and

their involvement in welfare provision. We discuss these features in turn in the following sections.

i. The distinctiveness of smaller VSOs

a. How smaller VSOs are governed and managed

The smaller VSOs within our study exhibited a number of distinctive characteristics which relate to how they are governed and managed. The first of these was the presence of **long serving trustees playing multiple roles**. It was common for trustees to be involved in the day-to-day activities of the organisation, frequently framed in terms of the organisation being small and the need for people to 'step-in' when required:

"[The trustees are] all happy to get their hands dirty. We're a very small team here, if anything goes really that we need hands on deck, they'll come and muck in ... they'll pop into the parents' meetings and listen to the parents and I think it just helps" (Staff member, Organisation B, Area 4)

Linked to this idea of trustees 'mucking-in', our data also revealed the existence of **flat hierarchies within small teams** of staff and volunteers as a feature of stakeholder ambiguity. Participants discussed how this closeness between frontline staff, volunteers and trustees enabled decisions to be made quickly, supporting effective service delivery.

A further distinctive characteristic was the way in which a **key individual**, often a manager or senior member of the staff team, performed **multiple roles**, and were seen to be 'holding all the strings' within an organisation. This often involved performing duties outside of their formal role. For example, the manager in one small VSO provided some direct respite care for a child during a holiday period, although this support was outside of her formal remit.

"[The Manager] kindly offered me some respite...and it was the most amazing summer of our lives..." (Service user, Organisation B, Area 4)

The ability of one key individual to perform a range of different roles and activities was made possible by the size of an organisation. Participants referred to the way in which a key person was able to fill very specific needs because they had personal relationships with service users, understood their needs and had the motivation, knowledge and understanding to meet those needs quickly and effectively.

The concept of stakeholder ambiguity can help us to better understand these distinctive features which relate to how smaller VSOs are governed and managed. The way in which trustees and key members of staff play multiple roles, often within flat hierarchies, enable people to act in an agile and responsive manner when responding to people with combined, complex needs within a welfare service context. We uncovered a clear sense in which people that hold these multiple and multifaceted roles over time feel a sense of attachment to the organisation and a good understanding of, and sympathy with, different roles within the organisation. This is the essence of stakeholder ambiguity, and such closeness between senior managers and trustees at the ‘top’ of an organisation and volunteers and service users at the ‘bottom’, would not be feasible in a larger provider regardless of sector, value base or orientation.

Importantly, these features were far less evident in the larger VSOs included in the study. Indeed, several participants from large VSOs recognised the importance of these distinctive characteristics and sought to find ways of embodying it in their own approach to service provision. For example, Organisation D in Case Study Area 3 (a large regional organisation) had sought to develop its organisational structure to provide greater autonomy for staff at a community level, to the extent that it was, in effect, a series of smaller organisations (divisions) within a larger organisational model.

However, it was felt by some stakeholders that many larger providers did not work in this way and instead sought to 'capture' some of these characteristics by seeking to work with or deliver services through smaller VSOs.

“We’ve seen it happen in [this area] where a national organisation will bid for a contract, win it and come in and try and deliver something, but how they deliver it is to pick the brains of local voluntary organisations who’ve spent many years getting themselves established...” (Local authority commissioner, Area 1)

This larger organisation within our study is to an extent recognising the limitations of its practice and attempting to devise a model of working which imitates or ‘buys in’ benefits stemming from SA that we found in smaller organisations.

Whilst stakeholder ambiguity is useful for explaining the features discussed above, we found a further distinctive characteristic of smaller VSOs, which was less easily explained by stakeholder ambiguity, was the way in which individuals (typically the key individuals or trustees discussed previously) *played roles across numerous VSOs in an area*. This was

evident in Case Study Area 1 where several key individuals from the three smaller VSOs studied had worked together (with other local VSOs) to establish a food bank in 2013 and continued to be involved as trustees. Across our case study localities, the importance of staff, volunteers and trustees within smaller VSOs being local, engaged and having good relationships with other local VSOs and public bodies emerged as a consistent theme (we revisit this 'embeddedness' below). This distinctive characteristic is closely related to stakeholder ambiguity but not perhaps within the bounds of Billis and Glennerster's original description.

Although the concept of stakeholder ambiguity is clearly related to how smaller VSOs are governed and managed we also uncovered a series of distinctive characteristics which go beyond the internal workings of smaller VSOs and relate to how they approach their work and how they relate to other providers. Although these two sets of characteristics are less directly related to stakeholder ambiguity they are still linked and important in our understanding of what makes smaller VSOs distinctive when compared with larger providers of welfare services.

b. Smaller VSOs approach to their work

The smaller VSOs within our study exhibited a number of distinctive characteristics which relate to how they approach the work they do. Key amongst these was the presence of **long-term relationships** within organisations, but also across organisations and into their communities, was a key characteristic of smaller VSOs. Participants described the importance of 'knowing' each other and the local context.

"It's such a tight community between us. We bond with one another, and everyone knows one another. You go in somewhere big and they don't know who that is, where he's come from, here everybody knows everybody." (Service user, Organisation A, Area 4)

Relationships were characterised by longevity, and in many cases **high levels of trust**, which led to the formation of dense local networks which magnified the efficacy of the work carried out by individual smaller VSOs. For example, a trustee of a homelessness VSO emphasised how important it was that the organisation was trusted and how this trust formed the foundation of its close relationships with other organisations:

"I think we have managed to develop relationships with different organisations, and I think that's because now we are probably trusted... and I think trust is absolutely essential and I think trust has developed." (Trustee, Organisation A, Area 1)

These long-term relationships also enabled a number of smaller VSOs to establish long-term engagement pathways whereby people were supported to 'move through' an organisation over an extended time period:

"I started volunteering when I was nearly 41 and volunteered for 2 years, and this job opportunity came up as a project worker...and [the Manager] said 'why don't you apply?' and I'd said, 'no, I haven't got enough knowledge and confidence', and so I left it. And then I had a phone call, 'I think you should really apply', 'alright then, if you think I should'. So I did, and I got one of the five jobs. That was four years ago ...and I haven't looked back" (Organisation B, Area 4)

Our analysis of these stories of long-term engagement indicated that this attribute was a product of the close relationships which become established within smaller VSOs, and the way that people are supported to develop over time. Although this is not evidence of stakeholder ambiguity as Billis and Glennerester originally described it, it demonstrates how people are able to maintain an ambiguous relationship with a small VSO which shifts and flexes over time in response to their needs and circumstances.

By contrast, we found that the approach taken by larger VSOs did not necessarily engender a dense network of local, reciprocal relationships. One larger organisation described its approach to working with other organisations within the locality as more of a transactional benefactor-beneficiary relationship, with the larger VSO offering support to smaller organisations, rather than developing and relying upon mutual, trusting relationships. The senior staff team within the larger VSO described this work as *"help[ing] the very small organisations who are probably delivering amazing stuff on the ground but struggling with all their governance and compliance."* [Employee, Organisation D, Area 3]. The larger VSOs involved in this research recognised the importance of working with smaller VSOs at the local level, and were consciously looking for opportunities to do this, but these long-term relationships were not identified as a core aspect of their organisational identity or approach.

Although both large and small organisations involved in this research were **responding to need**, smaller VSOs characterised their work as responding to emergent need at a hyper-local level. One member of staff from a small organisation characterised their position as being *"at the bottom of the ladder point"* (Participant, Area 2).

The characterisation of smaller VSOs as responsive and flexible, and responding to 'real-time' need, was in part attributed by participants to their size, as illustrated in the following examples from stakeholders in Area 4:

"...[small VSOs] see a need and the beauty of that is they can react to something very quickly, so if they see a particular problem in the streets they can put something together quickly" (Public sector stakeholder, Area 4)

"I know if I was saying to [a small VSO] 'there's a gap here, could you look at doing something, or can we look at doing this?...I know there'd be more chance of that happening somewhere like [small VSO] than there would be with a larger organisation" (Stakeholder, Area 4)

VSOs are described in these examples as able to make decisions quickly in response to cases of emerging need. Although this cannot be directly characterised as stakeholder ambiguity it was often facilitated by the ambiguous nature of stakeholder roles. As the second of these extracts suggests, larger organisations cannot necessarily act with as much agility when confronted with an immediate or hyper-local case of need. They were often bound by terms and standardised models of delivery set-out within contractual agreements, but also the scale at which they were working, which meant that a single case of emerging need couldn't necessarily prompt a bespoke response.

Research participants frequently referred to the *ethos and values* of smaller VSOs when discussing their experience engaging with a particular organisation, regarding them as central to the identity of smaller VSOs and being at the heart of their activities and approach in a way that was distinct from larger providers. For example:

"The ethos of [The VSO] is shaped by listening...it is a place where people feel it is alright to be vulnerable" (Organisation A, Area 2)

Although representatives of smaller VSOs tended to describe values and ethos as particular to their organisation, we identified several themes that were common to smaller VSOs. One of these was the family-feel that they engendered, which marked them out as different from a larger VSO or public services:

“So for all of us [Organisation B] is an extension of our family. [The Manager] and her team are my guardian angels, they’ve been there for me at my lowest times” (Service user, Organisation B, Area 4)

This familial nature of smaller VSOs also extended to their physical presence, with their buildings frequently described as somewhere safe and welcoming to go and where doors will always be ‘open’. For example:

‘It’s nice to know that if you’re having a bad day or if you don’t want to talk nobody really pushes ... I think that’s important when it’s a place for mental health, that it’s somewhere you can come and feel safe. (Service user, Organisation B, Area 3)

These features were often contrasted with statutory services and larger VSOs appearing less welcoming and at times more judgemental. In practice this enabled smaller VSO to engage with individuals and communities that larger providers and public bodies often struggled to reach, meaning they frequently served as a gateway to wider service provision.

Also important was their *person-centred* approach to working with individuals to address needs in the short and longer term. Smaller VSOs argued that this enabled them to put service users at the heart of the organisation, addressing their needs in a holistic way:

“...our whole way of looking after people is different to them [public sector, larger VSOs], we talk about this word a lot, but we do care...we are a homeless charity who cares, we have managers, we don’t just put them in and shut the door.” (Employee, Organisation A, Area 1).

For many VSOs this meant supporting individuals for a sustained period, rather than addressing a specific need or issue and then moving people out of a service or on to another provider. This was reflected in interviews with service users, who frequently discussed how the smaller VSO they were involved with represented an important constant in their life, providing them with a sense of ontological security, whereas their involvement with larger providers tended to be time limited:

“[The staff] are lovely, you know, they don’t just come down and ignore you; they’ll have a chat to you and I think it’s all about interacting really isn’t it? Now when these [other] services close you know that you can come back here (Service user, Organisation C, Area 3)

Although larger VSOs also claimed to work in a person-centred way, this was subtly different to smaller VSOs, in that it was framed in terms of decisions that had been made to prioritise a particular set of values over and above an alternative, often driven by more commercial or market-focused approach. For example:

“You’re not looking at it from a commercial view, you’re looking at it as a value base and it’s about sharing resources for the greater outcome and that’s a privileged position to be in as a bigger provider... but that’s about what [case D]’s about and being able to use those resources and share them.” (Employee, Organisation D, Area 3)

c. Smaller VSOs position relative to other providers

The smaller VSOs within our study exhibited further distinctive characteristics related to their position relative to other providers. We found that they were ***embedded locally*** within both communities of place and interest. Practically, this involved smaller VSOs and their stakeholders them maintaining long term relationships within dense networks of local people and organisations (within and beyond welfare provision), meaning they knew and were known by and involved with a wide range of people:

“The majority of people that work here live here so we know our locality, we know the people that we work with; we know the patters, we know the people to work with, the people to go to, so I think that that is absolutely vital.” (Staff, Organisation D, Area 1)

“Yeah I think I have benefited from really strong foundations and local knowledge... you feel embedded... I’m passionate about getting the services right for local people cos it impacts on all of us” (Stakeholder, Area 2)

This ‘local knowledge’ was important to people and was described as fostering ‘*greater understanding and acceptance of clients and their problems amongst the local community*’ (Stakeholder, Area 2). Being locally embedded encourages greater interaction between the individuals using the services and the wider community. This embeddedness confers legitimacy upon smaller VSOs (Baum and Oliver, 1992) with their broader stakeholders, from which flows high levels of trust and sensitivity to stakeholder needs. We found that it also means that smaller VSOs and their representatives can act as a conduit between communities and those making decisions about the provision of welfare services.

“We worked with one [small VSO] a few years ago, they’d got this vision and the name and address for every resident in the area and they could knock on the door and get buy in”. (Stakeholder, Area 3)

The importance of this embeddedness was recognised by several the larger VSOs and public sector representatives included in the study. Whilst we did not find that larger providers are not or cannot be locally embedded, it was certainly more challenging for them. The larger providers involved in the research had taken steps to embed their services locally: they did this not to compete with smaller VSOs but because they believed it was the right approach to take when delivering services for people facing disadvantage.

For example, Organisation D in Case Study Area 1, a large national provider contracted to deliver a local service, initially struggled to establish itself locally so proactively sought to embed itself over an extended period. This included developing local branding for their service; providing additional local activities to address local need and working with organisations in the community; establishing satellite locations for the service in harder to reach areas; and employing local people with prior local knowledge, expertise, and established relationships with service users. The key difference between these large providers and smaller VSOs was that for larger organisations, being or becoming embedded was often a conscious act that took time and ongoing effort. By contrast, for smaller VSOs embeddedness was part of their everyday practice.

An important feature of the way smaller VSOs responded to need was their approach to advocacy. Although advocacy features in the work of many larger VSOs, smaller VSOs focused on *advocating on behalf of individuals* at the point of need. This typically involved the provision of practical, direct help, such as guidance through the process of obtaining benefit entitlements. As an employee of one smaller VSO explained, this means that they ‘*work in solidarity*’ with their service users, utilising their local knowledge, experiences and contacts to advocate for services and support.

Whilst such advocacy can put VSOs in opposition with the public sector, several stakeholders recognised the importance of this work. For example, a commissioner in area 2 admitted that ‘*life would get easier*’ without the ‘*noise*’ created by smaller VSOs, but that:

“as nice as that would be, you’d kid yourself that everything’s going smoothly, the reality is we’ll be more disconnected from understanding the true needs without them

playing this role and, in reality *it's much more challenging when there's apathy.*“
(Stakeholder, Area 2)

We have thus far presented data and analysis which helps to develop our understanding of the distinctive characteristics of smaller VSOs. Our analysis has drawn out the positive aspects of such features as we have sought to explore empirically the advantages stemming from being a smaller organisation and considered whether these characteristics are central to the notion of SA. However, our in-depth empirical work with smaller VSOs also highlighted the challenges which these distinctive characteristics can generate. It is to these challenges, or ‘downsides’ that we now turn.

ii. The downsides of being a smaller VSO

We identified a number of more potentially negative features of smaller VSOs, some of which are also associated with stakeholder ambiguity. These characteristics present ongoing challenges to smaller VSOs and their involvement in welfare provision. Looking first at characteristics of how VSOs are governed and managed, our research found the way in which key individuals playing multiple roles led to some organisations finding themselves in precarious positions. One CEO described the precariousness presented by the potential loss of the founding trustee who played a vital role in many aspects of the organisation, and whom she describes as "*one of them people you meet that you'll never meet anyone like*" [Organisation A, Area 4]. During a challenging point within the organisation's history, this trustee worked incredibly hard to turn the organisation around:

“they would meet at weekends, sometimes full weekends they would be here, [the trustee] rewrote all the policies, got HR consultants in place, they got new phone systems, they did a hell of a lot of work at that time to turn the organisation round”
(Org A, Area 4).

This pressure on one volunteer demonstrates the fragility of some smaller VSOs when relying on the good will of a small number of key people. In a separate example a participant described the fallout of the tragic death of a key staff member, who had been a bid writer and finance officer who helped them *"land some big contracts and make good decisions to help the*

organisation grow" (Org C, Area 3). This tragic incident led to a significant period of uncertainty and crisis.

As well resulting in a degree of precariousness, another downside faced by smaller VSOs is the burden on key individuals within organisations. One staff member, who had led an organisation for many years, articulated the burden she felt as she was considering her retirement:

"My biggest worry is replacing me... nobody has what's in [my head] and that's my worry, that's a real concern 'cos I don't know what I can do with it, how I get it out of there an put it on a hard drive, I don't know" (Organisation B, Area 4).

This sense of responsibility was enmeshed with the sense of commitment and knowledge of people who were motivated to support the organisations, suggesting that the key role that key individuals have to play has both advantages but also potentially negative consequences – two sides of the same coin. Thus, this reliance on a key person or small number of people leaves smaller VSOs potentially vulnerable to relatively small changes in personnel. If these individuals leave or are unable to fulfil these roles to the same extent or level of ambiguity, they may be difficult to replace.

The way in which smaller VSOs approach their work, such as flexibility and responsiveness, can also present challenges and render them potentially more fragile. The fragility of smaller VSOs is particularly pronounced following an extended period of public sector austerity during which many have experienced greater funding uncertainty and volatility, higher levels of need amongst the populations they support, and an expectation that they be more engaged, present and visible in key local policy discussions and debates.

5. Discussion and Conclusion

This article has explored the distinctiveness of smaller VSOs providing welfare services and how this relates to the concept of stakeholder ambiguity, revisiting and expanding upon earlier work by Billis and Glennerster (1998). Overall, our findings support Billis and Glennerster's central assertion that stakeholder ambiguity is a key distinctive feature of smaller VSOs that enables greater motivation, knowledge about and sensitivity to needs, and that this in turn means they are distinctive from larger providers in certain contexts. In addition, we have made three key contributions that extend the evidence base.

Our first contribution is to provide a series of categories through which to explain how smaller VSOs are distinctive from other providers. These include how they are governed and managed, including long-standing trustees playing multiple roles, flat hierarchies within small teams that enable rapid decision making, and key staff and trustees performing multiple roles beyond the VSO. Also important is how they approach their work, in particular their ability to build long term relationships with people based on trust, their responsiveness and sensitivity to need at a hyper-local level, and their values, ethos and person-centred care ethic which are often equated with the language of family and home. A further distinctive feature of smaller VSOs is their position relative to other larger providers from a range of sectors. They tend to be embedded locally within both communities of place and interest thanks to the deep relationships they are able to form, and they play a key role advocating for individuals based on an in-depth understanding of personal circumstances and needs.

Our second contribution is to demonstrate that there are several distinctive features of smaller VSOs that do not fit neatly within the concept of stakeholder ambiguity and that a wider framing is needed to fully articulate how and in what ways smaller VSOs are distinctive. Whilst some features, in particular those internal characteristics associated with how smaller VSOs are governed and managed, are clear manifestations of stakeholder ambiguity, those features associated with their approach and position have a less direct link. Indeed, our findings suggest that features such as being based in a local geographic community and informal, familial organisational cultures may be important in enabling stakeholder ambiguity to be present in the first place.

Our third contribution is to highlight the disadvantages associated with being a smaller VSO such as an over-reliance on key individuals and limited resources, which can render them somewhat fragile. These less advantageous aspects of smaller VSOs echo Salamon (1987), who argued that VSOs' 'failings' must be balanced through action from the state, and represents an important departure from Billis and Glennerster and other research on this topic, which often highlights the positive features of smaller VSOs and positions these in opposition to purportedly negative features of larger providers of welfare services. This more rounded view of smaller VSOs suggests that the boundary between smaller and larger organisations is blurry. Billis and Glennerster contended that as organisations grow larger, their distinctiveness may decrease, and although our evidence does support the idea that the features identified are more prevalent in smaller VSOs, it also demonstrates that some larger providers recognise this and take steps to embody it within their own work. Furthermore, our findings do not provide

evidence that smaller VSOs should be prioritised over larger ones in the delivery of welfare services. Rather, they suggest that their role is different to larger providers, many of whom deliver large statutory services that it would not be feasible to deliver through a smaller VSO.

Our findings do, however, raise questions about the current and future role of smaller VSOs within the ‘organised welfare mix’ (Bode, 2006), in light of growing evidence that they are being excluded from funding for welfare services (see for example Dayson et al, 2018; Rees and Mullins, 2016). Policy makers seeking to increase the involvement smaller VSOs in welfare provision have limited tools at their disposal. In England, the Public Services (Social Value Act) requires public sector commissioners consider economic, social and environmental wellbeing when assessing which providers may be best placed to deliver public services. The Act was intended to make it more equitable for smaller VSOs to access funding to provide public services but, to date, implementation of the Act has been weak and there are concerns that smaller providers are being disadvantaged by current practices (New Local Government Network, 2016). New social policy tools may need to be developed that recognise the distinctive features of smaller VSOs as desirable attributes for welfare provision if there is to be a more equitable basis for all types of providers to access funding to deliver welfare services in the future.

Although this was a large empirical study that develops our understanding of the distinctiveness of smaller VSOs in a contemporary welfare state context it is important to reflect critically on its limitations. As we only undertook the research in four areas our ability to generalise beyond these geographical areas or the English and Welsh welfare policy context should not be overstated, and examples from other areas would no doubt bring further contextualised insights. Future qualitative research on this topic would also benefit from a broader comparative sample with a greater number of larger (public, voluntary and private) providers as well some micro-sized and informal VSOs, which fell outside of the definition used for this study. Our findings also suggest that the concept of distinctiveness requires further theoretical development. Stakeholder ambiguity is a helpful theoretical concept but, as we have discussed in this article, it cannot explain the entirety of how and why smaller VSOs are distinctive from their larger counterparts. Other theoretical concepts associated with distinctiveness have emerged from our research that merit further exploration through additional qualitative research. These include their embeddedness in dense local social networks, the familial and care centred ethic that underpins their work, and the sense of

ontological security that long term engagement with their services can create for individuals experiencing complex forms of disadvantage.

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