Organisational Resilience

Second Stage Report

Quartet Community Foundation

BRISTOL CITY COUNCIL

University of BRISTOL

Contents

1. Introduction

The first phase of this research, published in 2021, constructed a framework for resilience of organisations in Bristol's youth sector. The initial work took an inductive approach, issuing surveys and conducting interviews to understand the key drivers of organisational resilience. In addition to this, quantitative data was collected on the financial accounts of organisations. The focus of this research was on organisations that had applied to Bristol City Council's Youth Sector Support Fund, administered by Quartet Community Foundation. As a result, the Quantitative Metrics Database is divided into those 'Awarded' funding, those who saw their application 'Rejected', and those that did not apply but were identified by Quartet Community

Foundation as 'Aligned' with the aims of the Youth Sector Support Fund. The primary use of this was intended as a longitudinal study, allowing for an analysis of how organisations' financial situation changed over time.

The five key metrics that make up the framework are: Organisational Structure, Funding, Organisational Networks, Community Engagement, and Organisational Development. Each of these have a number of sub-components which relate with one another to foster resilience. Below is the diagram, taken from the initial report, which demonstrates the full framework.

Figure 1: Initial Framework for Organisational Resilience

The onset of COVID-19 presented organisations with the most significant test to resilience in a generation. Given this, the previous researchers took the opportunity to carry out a preliminary test of this framework. This involved, in the summer of 2020, conducting follow-up interviews with eight organisations. The initial results broadly confirmed the framework; however, the pandemic certainly brought many new challenges to organisations, whilst worries about the funding environment into the future were widespread.

With this in mind, the second phase was motivated by two main goals. First, a year on from the follow-up interviews, we wanted to check back with organisations, to see if what they told us previously still rings true. The initial report was published in January 2021; by checking back with organisations in Spring/Summer 2021, this gave us the chance to go over the key aspects of the initial report, see if organisations agreed with the framework, and for them to fill us in if there's anything we may have missed. Our second motivation was to give something back to the organisations, for assisting us in the research and in light of the extremely challenging year they have endured. To fulfill this, our aim was to relate our understanding of organisational resilience to the specifics of the organisations, to give them an idea of how they fit into the framework.

2. Methodology

This led us to develop the concept of a 'Reflective Consultation'. Once we had settled on the format and had developed a blueprint for the sessions, we proceeded to contact organisations to arrange a time for the meeting. In the end, we managed to hold six Reflective Consultations between us.

The goal of these sessions was to induce a dialogue between us and the organisation based on the findings of the report. The format of these sessions involved a presentation, produced by us, which outlined the key information from the report in a digestible format. However, rather than simply 'talk at' the organisations, we designed a number of bespoke prompts throughout the presentation to get the interviewee's perspective on the matter. We aimed to co-produce an enhanced understanding of organisational resilience, operationalising our knowledge of the framework, and the wealth of knowledge and experience the organisations have of operating in the sector. The sessions were semi-structured, as we had thought of some key points we wanted to raise based on the previous round of data collection, however would adapt the format if an issue was raised during the session that was of particular interest. The Reflective Consultations were all carried out on Zoom and recorded. The recordings, along with the completed consent forms, can be found on the SharePoint.

Prior to holding the Reflective Consultations, we populated the Quantitative Metrics Database with organisations' most recent accounts available to us at the time. We extracted this data primarily from Quartet's Salesforce, however compared the accounts to the information we could find on the Charity Commission, or Companies House, webpages. Due to the non-standard nature of reporting accounts in the third sector, the published date varied between organisations. This must be borne in mind when attempting to draw conclusions from the data set. Since two more rounds of the Youth Sector Support Fund had been administered since the first data collection, we added two new indicators which showed whether the organisation had been successful, or not, in their applications. A dash indicates they had not applied.

The longitudinal data set has enabled us to compare key metrics between the first and second rounds of data collection. The key metrics that could relate to our understanding of organisational resilience are: 'Restricted vs Unrestricted Income', 'Unrestricted Reserves/Expenditure as Months', 'Traded Income', and 'Ratio Staff: Volunteers'. The importance of these vary depending on the structure (mission, model, strategy) of organisations. For instance, some may rely more heavily than others on traded income to fund its charitable activities. To make this clear, we created a new metric – 'Traded Income as a % of Total' – to illustrate how much it makes up of a charity's total revenue. Whilst we did not carry out any statistical tests on the data, the resource was, and we believe remains, an extremely use tool in providing background to the qualitative data collected.

There are some important gaps in the data, as we lack certain details for some organisations, such as 'diversity of income' metrics and occasionally a breakdown of restricted/unrestricted income and reserves. Inconsistencies in the publication dates for the third sector accounts means that we have a broad variation as to when the data refers to. This limits the database's use for an aggregate-level analysis. Nevertheless, we think it still holds value for comparing the dynamics of metrics within each organisation, and perhaps for a comparison between two similar organisations.

3. Key Findings from Reflective Consultations

The Reflective Consultations took place with 6 organisations, 3 of whom were large or medium sized and 3 that were smaller organisations. The consultations were useful in reiterating the framework back to the original participants to reflect on how we had defined key areas of resilience and whether there were any important areas the research had missed.

The reflective consultations were carried out with ORG 12, ORG 23, and ORG 39 who made up our larger organisations, and ORG 49, ORG 36 and ORG24 who made up our smaller organisations. Generally, all the organisations we spoke to agreed with the overall framework of resilience. Interviewees mostly saw their own experiences of organisational resilience as aligned to the findings of the report, or agreed on the definitions and found it useful to relate the framework back to their own organisation.

3.1 Organisational Structure: Mission, Model and Strategy

Several organisations emphasised the need to be flexible with Mission, Model and Strategy, particularly during more volatile economic periods where beneficiary needs can become more unpredictable. For some organisations, particularly the larger ones, they found it important to ensure their mission wasn't too ambitious to the point of being unattainable, while smaller organisations recognised that their mission needed to become less strictly defined to allow for the organisation to expand and address more nuanced needs. This was particularly important during the pandemic where young people's needs, and the demands of the sector, changed rather dramatically. Organisations also highlighted the importance of an organisation's strategy being repeatedly reviewed and adjusted to continue to fit the needs of the sector. Furthermore, due to the uncertainty of how the youth sector will recover after the pandemic, organisations reported that it was almost impossible to plan a long-term strategy at the moment, and so strategies were having to become more short term. While it is important to have an overall defined sense of direction for the organisation, it became clear from the consultations that currently an organisation having a flexible Mission and Strategy is indicative of a resilient organisation.

However, a number of organisations were also clear in the need to have an overriding purpose that remained firm. Whilst the means of achieving their goals could be subject to flexibility, their purpose for existing should remain clearly defined and constant so long as the need for this persists.

An interesting point was raised by one smaller organisation about defining an organisation's model as either 'Community of Place' or 'Community of Interest'. They stressed the importance of organisations striving to be a combination of both a Community of Place and Community of Interest as a resilient model. For this organisation, a resilient organisation is one that can unite beneficiaries who have similar interests but are from different backgrounds and different areas of Bristol and bring them together. From their experience, there runs a risk of 'othering' young people when they are only helped because of a specific characteristic, such as their mental health. They suggested the framework includes a third model which combines a Community of Place and Interest.

Two organisations stressed the concepts of 'Values' and 'Culture' as vitally important aspects of their organisational structure. According to one interviewee, having a clear idea of 'who we are', embedded in the culture of the organisation, has been crucial in enabling them to thrive, despite the huge challenges of this year. In a similar vein, another interviewee outlined how the values of the organisation served as their guiding principles, dictating how, and to what ends, they operate. Both concepts incorporate the identity of an organisation; whilst this is somewhat alluded to by the original sub-components of Mission, Model and Strategy, Values and Culture incorporate this more explicitly. Rather than focussing on its outward operations, Values and Culture are more inward-looking, incorporating how organisations conduct themselves from within. We can thus see how this links to Staff Structure: having a clear vision for this can help ensure all staff and volunteers are working in the same direction. This in turns helps foster resilience, providing continuity throughout the organisation such that their purpose remains clear.

In relation to Strategy, one organisation raised the importance of Branding and Marketing in supporting the resilience of their organisation. This organisation argued it was something that tends to be underappreciated in the third sector, especially in comparison to businesses. However, being able to communicate a clear narrative of the

value to society and unique selling point of the organisation to prospective funders can help to differentiate from others. In particular, an effective brand can be seen as especially important for firms looking to forge cross-sector ties; branding and marketing are of course central to business. Furthermore, the organisation suggested there was value in having a clear brand with respect to service users. This ensures that beneficiaries are fully on board with the mission of the organisation. Whilst this relies on successfully 'selling' the goals to service users, a well-marketed brand should be able to do just that. With the emphasis on digital marketing accelerated by the pandemic, an effective online presence can be of importance here. Branding and Marketing can thus be seen to facilitate short-term goals and work towards the long-term ambitions of where the organisation wants to be in the future.

3.2 Staff Structure

Several organisations emphasised the importance of a blended staff structure incorporating Full Time and Part Time workers as well as volunteers, although the latter were difficult to obtain during the pandemic. Smaller organisations especially struggled with the capacity of recruiting, training and inducting volunteers who were needed to fill in the loss of staff during the more volatile months. As smaller organisations tended to rely more heavily on volunteers to carry out their mission, rebuilding their volunteering capacity was an important factor for resilience. Two organisations defined this current period as a 'rebuilding' phase, whereby a lot of their efforts was in rebuilding their staffing capacity, which is crucial for long-term and short-term strategy. Most organisations agreed that there are enough training opportunities for permanent staff and volunteers, but capacity of time and funding staff and volunteers to undergo training can be a barrier to resilience. For the larger organisations, they were able to be quicker and more responsive to the staffing need, while smaller organisations wouldn't have as much capacity to fully focus on increasing their volunteering numbers due to lack of time.

Two organisations highlighted an important area that was not focused on in the original report. They emphasised that staff-wellbeing is a crucial part of organisational resilience. Due to the stresses of the COVID-19 pandemic, a lot of staff have been put under more pressure, needs and demands have increased, and jobs have become more unstable. If staff are having to isolate, catch COVID, or are still dealing with mental health implications from the pandemic, then this can have a knock-on effect on an organisation's structure. Therefore, an important sub-metric to 'Organisational

Structure' is an organisation's capacity to support staff wellbeing, through offering counselling services, being trained in mental-health awareness, allowing for flexible working conditions, and revising the organisation's leave and working policies.

3.3 Funding: Diversity of Funding, Capacity for Bidding and Reliable Core Costs

Organisations largely agreed with the importance of diverse income streams in supporting organisational resilience. Unrestricted income streams, particularly those which are self-sufficient, were stressed by a number of organisations as particularly important. One interviewee suggested that unrestricted income streams enabled organisations to 'build' and progress toward broader goals, in contrast to restricted streams, which tie organisations to more narrowly defined ends. Self-sufficient streams, namely funds which organisations generate themselves, are a key part of unrestricted income. A number of organisations interviewed declared their continued ambition for the operation of trading arms. Often, these serve a dual purpose, functioning to help fulfil their mission, whilst providing organisations with valuable, unrestricted funds. Once again, the interrelation of metrics to help foster resilience is shown to be crucial.

Two organisations felt that the most important part of resilient funding patterns was to allow time to strategise their funding methods and capacity. All organisations emphasised that having periods to reflect, assess and adjust the organisation's strategy was crucial to resilience. Of course, these periods need to be funded, which proved difficult since grant funding has become more project-based. All organisations agreed that only relying on grant-funding is a not a resilient approach, but the larger organisations had more capacity to bring in additional funding streams. All organisations also emphasised that a lack of long-term funding is a big barrier to resilience. Two organisations, one small and one large, stated that resilient organisations are ones that have a good funding bid writer on their team. Especially for smaller organisations, lacking capacity for time to write a lot of quality bids can mean they're missing out on crucial funding applications. This a skill that is in high demand in the youth sector.

3.4 Organisational Networks: Partnerships & Sharing Practice

In general, partnerships were confirmed by organisations as integral to their operation and wider resilience. Most organisations agreed with the report finding that Funding-Bid Partnerships are not always the most resilient form of partnership, with even larger organisation agreeing that this leads to an imbalance of power and the voices of smaller organisations being lost in agreement making procedures. One larger organisation found it difficult to maintain their Service Delivery Partnership with smaller organisations who had been massively affected by COVID, which means difficult decisions about who they partner with had to be made. One smaller organisation was hesitant to partner with larger organisations as they often feel side-lined as the larger organisations may have better capacity for writing funding bids and more permanent dedicated staff. All organisations stated that the best partnerships are those that are long-term, they delivery similar services and are of similar organisation sizes. Some organisations found it difficult to maintain partnerships as they take a lot of time to manage.

All organisations strongly agreed that partnerships outside of and across the youth sector were resilient forms of partnership, particularly if it generates additional income for the organisation and diversifies their income portfolio. Some smaller organisations admitted they didn't have the expertise to network with local businesses or Universities and this felt like something out of their depth, but agreed this was an important aspect of resilience.

One larger organisation found that partnerships outside of the youth sector can be difficult to maintain if the partnership is based on one relationship in the external business. They found it to be more a resilient practice when organisations network with multiple members of a business or organisation outside of the youth sector to ensure that if one contact is lost, another can be picked up. A different organisation echoed this sentiment. Whilst cross-sector partnerships were said to be valuable in reaching a new audience, the fragility of these were also expressed: in seeking to demonstrate corporate-social responsibility, businesses sometime seek to attach themselves to whatever the 'issue of the day' appears to be.

Two organisations claimed that the most valuable partnerships were with universities and public sector organisations as they're more likely to be long-term. All organisations claimed there were enough networking opportunities in the sector to form partnerships, but not every organisation had the capacity to attend them, particularly the smaller organisations which are run by one or two people.

3.5 Organisational Development: Training & Monitoring and Evaluation

Several organisations agreed with a point raised in the research that organisations struggle to evidence their successes with young people and evidence why their organisation is needed. One smaller organisation who works with young people from households where drug and alcohol are abused found it difficult to prove that their organisation was needed and effectively helping young people because it was taking the organisation several years to help their beneficiaries. Other organisations, both large and small, also commented on this and find it difficult to evidence that they've helped young people in the short time they had funding to do so because it normally takes longer than the allotted funding to really make an impact in some young people's lives.

Most organisations felt there were plenty of training opportunities to develop their organisations, but often the smaller organisations struggled to find the time and funding to pay their staff to get training.

Interestingly, one smaller organisation didn't feel the need to develop and expand their organisation as they felt it worked well because it didn't have a lot of trained staff or volunteers. Because of this, they could adopt a more intimate approach with their beneficiaries and focus on a small group of young people at a time who really needed help. However, they agreed with the research that in order to become more resilient they needed to be able to quantify and evidence how they have been helping their beneficiaries in order to increase their chances of winning funding bids.

3.6 Community Engagement: Service User Participation & Organisational Responsiveness
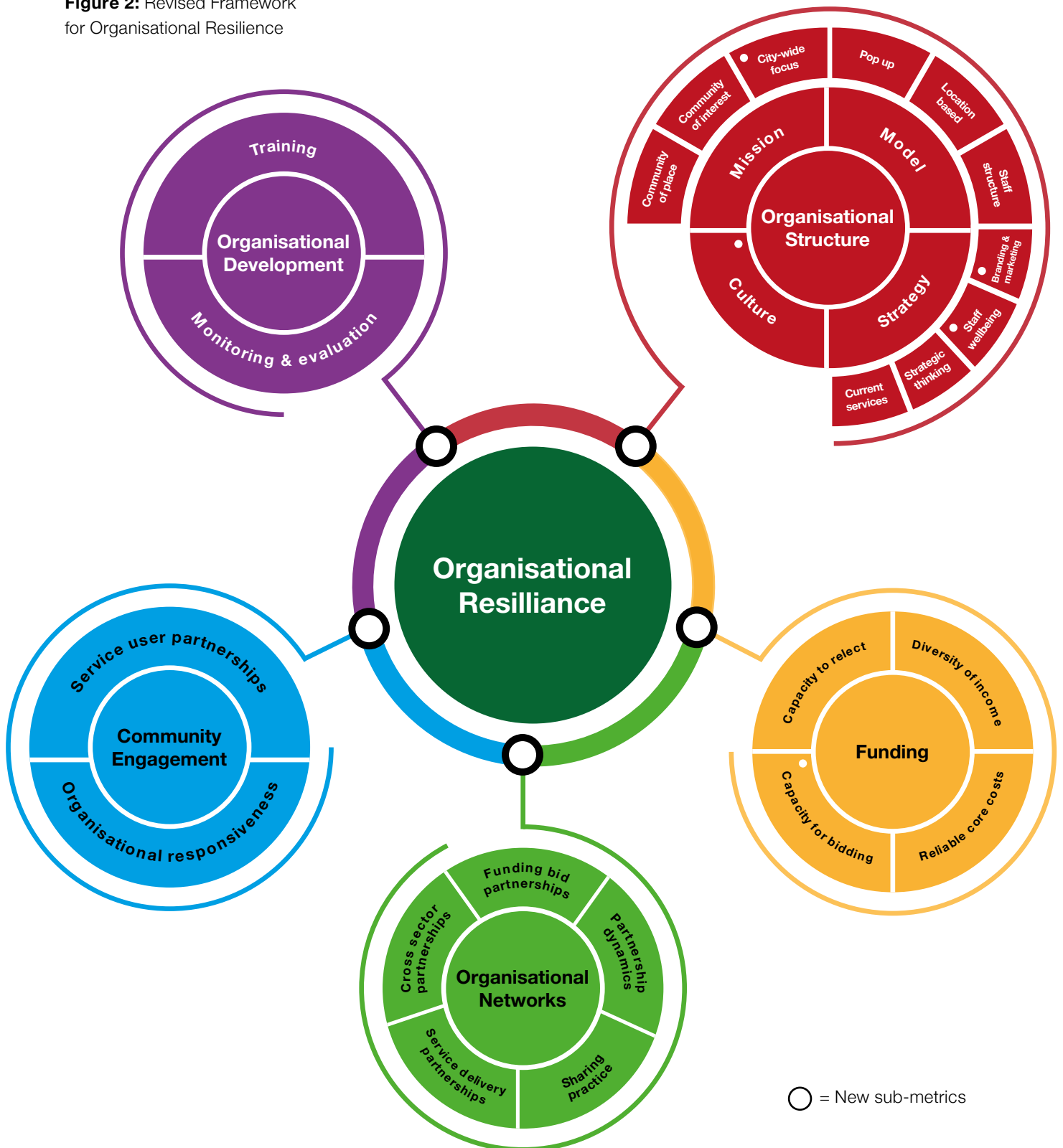
The organisations interviewed all agreed on the importance of involving service users in the process of shaping service provision. To allow this to take place, organisations must be responsive to the needs of the individuals that use their services. One organisation stressed the need to build trusting relationships with service users, so that they felt comfortable expressing their opinions, in turn helping to build their confidence. Not only was this viewed as important in ensuring services remain needs-led, but also integral to the development of service users themselves.

One smaller organisation was particularly passionate about Service User Participation and felt this was the most important aspect of resilience. They felt this was fundamental and organisations could not be successful without regular feedback, interaction and guidance from their beneficiaries. They were the same organisation that were keen to have funding that allowed long periods for reflection and strategising and adjusting the Mission and Strategy depending on the beneficiaries' needs. This was a good example of an organisation with a looser Organisational Structure who relied on the feedback of its beneficiaries to inform its grant applications and staff structure.

4. Revised Framework

Figure 2: Revised Framework
for Organisational Resilience

Figure 2 contents:

Organisational Development (purple)
- Training
- Monitoring & evaluation

Organisational Structure (red)
- Mission: Community of place, Community of interest, City-wide focus
- Model: Pop up, Location based, Staff structure
- Strategy: Branding & marketing, Staff wellbeing, Strategic thinking
- Culture: Current services

Community Engagement (blue)
- Service user partnerships
- Organisational responsiveness

Organisational Resilliance (centre green)

Organisational Networks (green)
- Cross sector partnerships
- Funding bid partnerships
- Partnership dynamics
- Sharing Practice
- Service delivery partnerships

Funding (orange)
- Capacity to relect
- Diversity of income
- Capacity for bidding
- Reliable core costs

◯ = New sub-metrics

5. Conclusion

In all, the responses from organisations interviewed were very positive towards the framework for organisational resilience. This strengthens the validity of our existing conception. However, as outlined previously, there were a number of points that organisations mentioned that were not explicitly included in the framework. It is our suggestion that these could be added as new sub-metrics, enhancing our understanding of organisational resilience in Bristol's youth sector.

First, under the Mission sub-metric, we suggest that a third type should be added, incorporating both Community of Interest and Community of Place. The aim of this type of model is to bring social cohesion, not limiting an organisation's focus to a particular area or those with a particular characteristic or need.

Second, a metric that incorporates the Culture of an organisation could be included under Organisational Structure. Whilst similar to an organisation's Mission/Model/Strategy, the less tangible notions of culture or values were expressed by two organisations as crucial in supporting their resilience, particularly during the extremely trying circumstances of the last year.

Third, a sub-component for Staff Wellbeing should be added to Strategy. This was mentioned by two organisations as important, ensuring a good working environment for staff and volunteers.

Fourth, the Branding and Marketing of an organisation was raised as something that was often not prioritised by the third sector, yet crucial for resilience in more ways that one. COVID has accelerated the trend toward moving all types of operations online. Arguably, this has made an effective brand and marketing strategy as even more important, with the website of many organisations being the first point of call. We suggest that a Branding and Marketing sub-component could be incorporated into an organisation's Strategy, with its focus on both long and short-term goals.

Fifth, under Funding, a number of organisations stressed the importance of a period of reflection in between projects. Due to project-based funding, the imperative as soon as one funding cycle has finished is to find a new one. This deprives organisations of the time to reflect on services. This is something touched on in the initial report, under both Reliable Core Costs and Monitoring and Evaluation, however organisations suggested a more explicit focus on this, as they deemed it crucial in supporting organisational resilience.

If the research project is to continue, all the interview participants suggested revisiting the framework in a year's time and collecting another round of data. This was recommended in order to see if the youth sector has changed much given the impact of the pandemic. It was anticipated that many of these effects have been delayed, partly due to Government support (which is being wound up), and partly due to the uncertainty over the extent of behaviour change we will see into the future. The Quantitative Metrics Database could continue to be populated, with further time periods perhaps providing a richer data set with more scope for analysis. Due to organisations' reporting accounts at different times, some of the information is more up-to-date than others, meaning the true impact of the pandemic on finances is often not shown. Tracking changes in the composition of beneficiaries' income could provide an indication of how, or if, organisations have been made to adapt to the so-called new-normal.