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Contextualising non-profit governance: the influence of contextual factors on board characteristics and paradoxes

(A paper to sub-theme 17 of the 19th European Group for Organizational Studies (EGOS) Colloquium, Copenhagen, July 2003)

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INTRODUCTION

The delivery of public services in the UK has changed radically in recent decades. Increasingly government has been withdrawing from the direct delivery of public services and programmes. Two related reforms have been at the heart of this process. The first has been the creation of an increasing number of devolved or quasi-autonomous governmental organisations (quangos) to deliver public services and programmes. The second has been the introduction of market mechanisms into the provision of public services through splitting the ‘purchasers’ of services from the ‘providers’, and introducing elements of competition through the contracting out of services to a mix of private companies, voluntary organisations and quangos.

As the importance of quangos and non-profit organisations has grown, they have come under increased public scrutiny. Paralleling developments in the private sector, the governance of these organisations has been questioned in the light of various well-publicised organisational failings. Serious concerns have been raised both about the effectiveness of the boards of these organisations and their democratic legitimacy.

These concerns have led to renewed professional and academic interest in the governance of public and non-profit organisations and a growing literature. A criticism that can be levelled at much of the theorising about boards (both in for-profit and non-profit organisations) is its generic nature. Often little or no account is taken of how contextual factors may influence or shape board characteristics and behaviour. This is not something that is unique to the study of boards; similar criticisms have been levelled at much recent research in the field of organisational behaviour (Mowday and Sutton, 1993; Rousseau and Fried, 2001; John, 2001). This paper examines the findings from a number of recent studies of public and non-profit boards in the UK which highlight the importance of contextual factors, and considers their implications for theory and practice.

The paper begins by presenting a conceptual framework which attempts to identify and group some of the main contextual influences on boards. It then describes how the institutional environment in which non-profit organisations operate in the UK has changed over the last decade. Against this background the paper reviews recent findings from empirical studies of non-profit boards in the UK. These studies throw light on how changes in public policy, the provision of public services and the regulatory

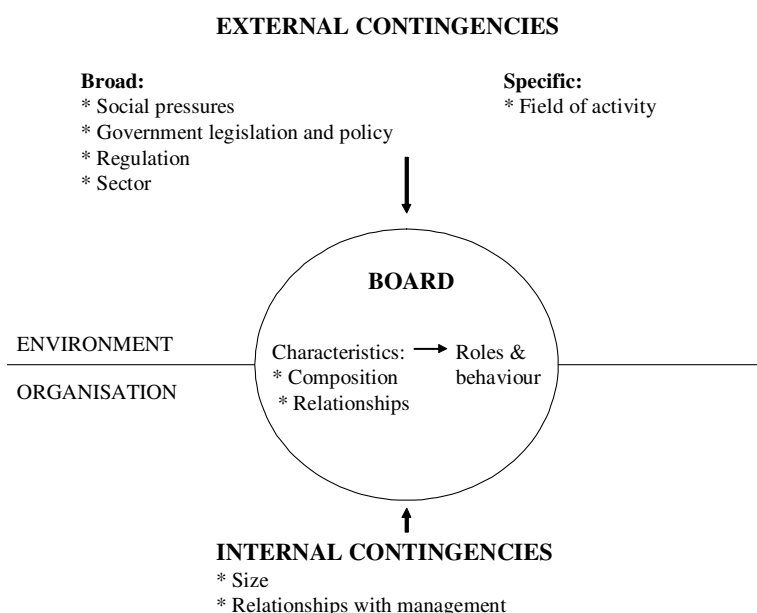
environment are influencing public and non-profit boards. Finally the paper briefly outlines the implications of these finding for both theory and practice.

TOWARDS A FRAMEWORK FOR CONTEXTUALISING PUBLIC AND NON-PROFIT GOVERNANCE

Boards can be thought of operating across the boundary of organisations (Middleton, 1987). Boards must face two ways: outwards relating the organisation to the external institutional and social environment - ensuring a degree of external accountability and compliance with external regulations and standards, and inwards relating to the internal organisational environment - working with staff to provide supervision and direction. As a result boards are influenced by a subtle combination of external and organisational factors. Middleton (1987) in a review of the literature on the governance of non-profit organisations characterised it as predominantly focussed on the relationship between boards and the external environment. Predominantly boards were viewed as a means of controlling environmental uncertainties and as part of power elites. Ostrower and Stone (2001) trace how the literature has developed since then. Environmental concerns are no longer to the fore and boards have become a focus of interest in their own right. In particular there is a focus on board characteristics, roles and effectiveness, but in the process a decline in explicit attention to the impact of internal and external contingencies. In response they advocate a strategic contingencies perspective and develop a new 'integrated' conceptual framework to guide future research, which attempts to re-establish the importance of external and internal contingencies. They divide external contingencies in to 'broad dimensions', such as those concerning the legal and institutional environment, and 'specific dimensions' concerning the particular type of non-profit organisation, such as its field of activity, stakeholders and funding environment. Internal contingencies include the organisation's age, size, phase of development and complexity.

Various recent studies and reviews of non-profit governance in the UK through light on how some of these contextual factors influence board characteristics, strategy and various paradoxes or tensions they face. Figure 1 summarises some of the main contextual influences on the boards of public and non-profit organisations, which will be examined below. The summary is not meant to be exhaustive, nor does it attempt to show the often complex interaction between different factors.

Figure 1: Contextual Influences on Public and Non-Profit Boards (Developed from Ostrower and Stone, 2001)



THE CHANGING INSTITUTIONAL ENVIRONMENT AND ITS INFLUENCE ON BOARD COMPOSITION AND STRATEGY

Government legislation and policy has both direct and indirect influences on the governance of public and non-profit organisations. As might be expected the direct impact of government legislation and policy is most apparent on the wide range of quasi-governmental organisations (quangos), such as health trusts, further education colleges and various government agencies. Since the 1970's successive governments have intervened directly to create new quangos or modify existing ones, and to shape how they are governed, through specifying board size, composition, recruitment procedures and defining their roles. Although a common theme of these policies was trying to make boards more effective, which often equated with involving people from the private sector, there was a good deal of variation between sub-sectors. For example, the boards of hospital trusts were modelled on the board of private companies with executive and non-executive directors, whereas in the education field multi-stakeholder models were adopted, so school governing bodies included parents, staff, and local authority representatives.

These changes have created new opportunities for boards to 'recruit' people with different expertise and experience, particularly from the commercial world, and to act more strategically. However, the proliferation of quangos and the widespread move to appointed, rather than elected boards, prompted widespread concern about a decline in democratic accountability (Skelcher, 1998; Robinson et al, 2000).

At the same time government policies have also constrained the nature of the strategic choices that the boards of quangos may exercise. Greer et al (2003) describe various quangos on a dependence autonomy continuum. The degree of constraint is perhaps most strong in areas such as the health service with a high degree of centrally determined priorities and targets. However, even here the picture is not black and white and there have been changes over time with the devolution of budgets, the increased emphasis on local health plans and the recent move to foundation hospitals (Ashburner, 2003).

At the opposite end of the spectrum we have voluntary organisations, which while independent of direct government intervention still have to operate in an environment often significantly shaped by government policy. The contracting out of public services has transformed the environment in which many service-providing voluntary organisations operate creating important new funding opportunities, while creating new challenges and constraints. According to Harris (2001) the move to contracting, pressures for greater accountability and the growth of systems of performance measurement in the delivery of public services is creating a more complex and demanding environment for the boards of many voluntary organisations. These increasing demands may be one of the reasons behind the increased difficulty of recruiting board members, particularly among smaller charities observed by Cornforth (2001a). Others have suggested that growth in dependence on government funding and the imposition of performance targets that often goes with it has constrained the ability of many voluntary organisations to criticise government policies or tailor services to meet local needs.

Regulatory regimes also play an important part in shaping the way in which boards operate. Different sub-sectors, such as housing and further education, have their own regulatory bodies, and this is an important source of difference in the governance of different types of public and non-profit organisation. In the voluntary sector the main regulatory body is the Charity Commission. Under pressure from the public and government, the Charity Commission has taken a more active supervisory role. For example it has introduced new financial reporting requirements and establishing a small enforcement team to try to ensure charities comply with financial reporting requirements. In addition it continues to expand the range of guidance and advice it is able to offer charity trustees (Charity Commission, 2000).

Harrow and Palmer (2003) discuss the development of new accounting regulations for charities and in particular the requirements for charities with an income greater than £250k to carry out risk assessment. They suggest that pressures such as these are likely to make charity boards more risk averse and reinforce a compliance model of the board's role. In a similar vein Locke et al (2003) discuss how charity law and its interpretation by the Charity Commission have constrained the development of user involvement on boards.

However, even in the face of these regulatory pressures it is important to realise boards are able to exercise some choice. Harrow and Palmer (2003) illustrate this by noting the relatively high levels of non-compliance with financial regulations among small charities. Whether this was through deliberate choice or ignorance is difficult to say.

The process of influence may also be two way. Organisations may seek to change or influence the regulatory system. As Locke et al (2003) discuss it was pressure by various disability charities and self-help groups that helped to influence the Charity Commission to gradually allow greater degrees of user involvement on boards.

The legal and regulatory environment in which boards operate does not exist in isolation but is shaped by wider social and political forces, which may also impact more directly on boards. It was public and political concern over declining standards in public life in the UK that led to the establishment of the Nolan Committee. Its recommendations on local public spending bodies had an important impact on setting standards and codes of practice for the governance of many quangos, and an indirect influence further afield in the voluntary sector (Nolan, 1996). Subsequently, as Greer et al (2003) note, it was continuing public and political concerns over politically motivated public appointments that led the New Labour government to introduce more open and accountable systems of appointment for some quangos.

It was a perceived decline in the public trust of charities, heightened by some well-publicised failures that increased pressure on government and the Charity Commission to strengthen the regulation of charities. More directly, as mentioned above, it was campaigns by groups such as the disability rights movement that led to greater acceptance of user involvement on the boards' of charities.

INFLUENCES ON THE PARADOXES OF GOVERNANCE

Existing theories of corporate governance such as agency theory, stewardship theory, resource dependency theory or managerial hegemony have been criticised for being rather one-dimensional and emphasising particular roles of boards rather than the whole picture (Hung, 1998; Tricker, 2000; Cornforth, 2003). Cornforth (2003) argues the case for adopting a multi-paradigm perspective, which uses these theories to highlight various paradoxes or tensions that boards face. These paradoxes and tensions concern: who governs and the tension between having expert and representative boards; the boards role and the tension between driving forward performance and ensuring managerial and legal compliance; the boards relationship with management and the tension between supporting and controlling managerial actions. Below we review various studies which reveal how these paradoxes manifest themselves and are shaped by contextual factors, and consider some of the ways in which they can be managed.

Who governs – the tension between representative and professional boards

'But there is, and will continue to be, a tension between the management driven and output related approach which is central to many recent changes, and the need for organisations providing public services to involve, respond to, and reflect the concerns of the communities which they serve.' (Nolan, 1996)

In many public and non-profit organisations there has been a strong tradition that those who govern them and sit on their board should represent the communities the organisation serves. Two different mechanisms have been used to achieve this end, direct elections of board members from a defined constituency, or through giving key

stakeholders the right to appoint members to the board. Over the last two decades, due in part to changes in public policy mentioned above, there has been a shift in emphasis towards a more business-like or managerial approach to governance with its stress on efficiency and effectiveness, and the competencies that board members need to fulfil their role effectively. This highlights an important tension: should board members be 'chosen' because of their competence and expertise, or as representatives of particular groups?

This paradox has been most apparent at a policy level with regard to the governance of quangos. Skelcher (1998) and Greer et al (2003) chart the increasing use of non-elected bodies such as quangos, non-profits and the private sector to deliver public services, and the decline in democratic accountability. Similarly Robinson and Shaw (2000) examine in detail these changes at a regional level and note the move from local government to more complex patterns of local governance, involving a range of elected and non-elected bodies. Implicit in the public reforms of the various Conservative governments during the 1980's and early 1990's was the assumption that democratic forms of organisational governance were inherently ineffective and inefficient. As a result there was move to appointed boards and an explicit attempt to get more business people onto the boards of a range of quangos.

Since the late 1990's the pendulum has swung back, at least a little way, as calls for more open and accountable governing bodies became ever more strident. However, as Robinson and Shaw (2003) note, the move to more open and transparent board recruitment processes has been uneven and there is a good deal of variation between different sub-sectors, for example between health, education, economic development and housing. They also argue that it is still quite difficult to even find out who serves on the boards of many types of quango. Serious doubts remain about the ability of many quango boards to adequately ensure local democratic accountability.

How then, can the paradox between effectiveness and accountability, and between expert and representative boards better be managed. Greer et al (2003) suggest one step might be to reframe the problem in terms of board *legitimacy*. They argue that board legitimacy is a product of both board effectiveness and democratic accountability. They suggest that a board that fails on either of these fronts is likely to be perceived as lacking legitimacy. They suggest that no one model of governance is likely to meet the needs of the diverse quango sector and call for more experimentation combining different forms of three types of representation: political representation, stakeholder representation and what they call the representation of characteristics, for example gender.

There is perhaps a danger that too much is expected of boards alone. As Robson, Locke and colleagues note boards are not the only way, and may often not be the best way, of trying to achieve greater user involvement (Robson et al, 1997; Locke et al, 2003). Similarly, as Greer et al discuss boards are not the only way of achieving greater democratic accountability. Greater transparency and openness, external audit and evaluation, the development of new forums for consultation, improving the responsive of services to user needs can all increase local accountability.

The other side of the coin is that much can be done to try to ensure that 'elected' or 'lay' boards are effective. There has been a large increase in the availability of training, support and advice for board members in public and non-profit organisations, although there are large variations between different sectors, fields and areas. In some fields, such as education, external training is widely available to new board members. In others such as large parts of the voluntary sector provision is much patchier.

Organisations themselves also have various options to help improve board effectiveness. For example, Grant (2003) examines how some traditional women's organisations with large, representative governance structures have streamlined and reduced the size of their boards to make them more effective. Co-options and external advisers can be used to ensure that boards have access to areas of expertise they maybe missing (Cornforth and Edwards, 1998: 29-34). Chairs and chief executives can also try to ensure that their board members have opportunities to develop both individually and as a team. For example ensuring new board members have access to relevant induction and support, and that board members and senior managers have regular opportunities to reflect on the board's role and performance.

The boards role - the tension between performance and conformance

Boards face a paradox in having to carry out contrasting roles that require very different orientations, skills and behaviour. The 'conformance or compliance' role requires attention to detail, the exercise of care, and skills in monitoring, evaluation and reporting. In contrast the 'performance' role demands forward vision, strategic thinking and risk-taking, and requires boards to be more proactive.

Various studies suggest how this paradox is likely to be shaped by contextual factors. Harrow and Palmer (2003) argue that the new financial reporting regulations on charities and the more active role played by the charity regulator the Charity Commission is likely to make charity boards give precedence to the conformance role and make trustees more risk averse, although detailed empirical evidence to support this view is not yet available. Interestingly Otto's (2003) comparative study of relations between board chairs and chief executives in different sectors suggests that board chairs in the voluntary sector tend to play a more limited and reactive role than their counterparts in other sectors. However, she explains this more in terms of other sectoral differences, rather than pressures from the regulator. She suggests this is due to voluntary sector chairs trying to keep control over their work and avoid conflict with chief executives given the voluntary nature of their role and hence the strict constraints on their time, the greater difficulties they experienced resolving ambiguities over the allocation of responsibilities and the perception that managers are the key actors in voluntary organisations.

In the public sector the conflicting pressures arising from government policy often heighten this paradox. On the one hand public organisations are expected by government to be innovative and entrepreneurial, and on the other hand they are often subject to centrally imposed initiatives, performance targets and close monitoring and audit, which effectively constrain their opportunities for strategic choice. This dilemma was illustrated by the case studies of the school and FE college discussed by Cornforth

and Edwards (1998, 1999), where the boards felt that the number of Government initiatives and requirements imposed on them severely constrained both the time they could devote to strategic issues and their freedom of action.

In contrast, Ashburner (2003) in her review of reforms of governance structures in the NHS suggests that the move to a 'private sector' model means that boards are too involved with 'performance' at the expense of their 'conformance' role. She suggests that the close involvement of non-executive board members with executives in formulating strategy and other management issues may mean that the ability of non-executives to carry out their 'conformance' role will be compromised, because they lack the necessary independence to adequately scrutinise, evaluate and challenge management's proposals. The counter argument is that if non-executives are only involved in evaluating proposals they make lack an understanding of the thinking behind the proposals, which makes them difficult to judge. Equally, it is a big step for a board to seriously challenge or reject management's proposals and many boards may feel unwilling to take this step except in exceptional circumstances. As a result boards may be able to exert more influence by being involved in strategy formulation at an earlier stage so they can help shape proposals. This dilemma again reflects the difficult balancing act boards have to perform.

How can boards manage this tension between their conformance and performance roles, so that issues of long term or strategic importance do not get squeezed off the board's agenda, while at the same time the boards' capacity for independent scrutiny is not compromised? Edwards and Cornforth (2003) suggest a number of important factors that enabled some of the boards they studied to have greater involvement in strategy making, a key aspect of the performance role, without compromising their conformance role. The attitudes and experience of board members themselves was important, which in turn could be shaped by board selection processes, board training and by the attitudes of managers to their boards. Also important were board processes. It was necessary to manage board agendas so important, longer-term issues were given priority. In some organisations long detailed agendas meant that a process of operational drift occurred, where boards became bogged down in operational detail leaving insufficient time for longer-term strategic issues. Some of the more successful organisations regularly set aside special meetings where routine board matters were set aside to focus on strategy. This was also an important means of managing the tension that can arise from carrying out very different roles at the same time. Garratt (1996) advocates a board cycle where different aspects of the board role are to some degree separated out over time in an annual cycle of board meetings.

Relations with management - the tension between controlling and partnering

A paradox perspective suggests that a simple dichotomy between boards controlling or partnering management is too simplistic. Different forms of behaviour will be appropriate at different times in the relationship. In a similar vein Kramer (1985) suggests that the board relationship with management is constantly shifting between consensus, difference and dissensus depending on the issues being faced and the circumstances. The question is more one of balance and how to manage the inevitable tensions that can arise in such complex relationships.

Various authors have examined how broader contextual factors may shape and constrain this relationship in the UK, however, supporting empirical evidence is patchy. Again the studies point to considerable variation between particular sub-sectors. As discussed above, Ashburner (2003) argues that changes in NHS boards are likely to shift the balance of the relationship too much towards a comfy partnership between senior managers and external directors. In contrast Harrow and Palmer (2003) are concerned that the increasing regulation of the charitable sector, with its emphasis on compliance and the control of risk, may undermine trust between boards and managers and lead boards to closer control and monitoring of management.

Mole (2003) gives some insight into the relationship between chief executives (CEs) and boards from the CEs' perspective. Interestingly in this career history research only just over half the sample of CEs mentioned their boards when discussing key factors that supported or acted as barriers to achieving their work. This may suggest that boards are less important in the life of many CEs and the work of their organisation than is sometimes supposed. Of those that did mention their boards about two thirds raised problematic issues. The range of issues discussed and the variety of views expressed illustrates the complexity of board CE relations. From the CEs perspective the issue mentioned most frequently concerned the level of support they received from their boards, both as a positive factor and as a negative factor when it was absent or felt not to be of the right sort.

Bieber (2003) examines issue of power and control between boards and directors (chief executives) in independent museums. His case study research shows the central role chief executives play in shaping what boards do, through setting agendas, deciding how issues are presented to the board and controlling information. He also shows how museum directors used their professional status to keep control of issues concerned with the museums' collections. While not quite a rubber stamp, most items at board meetings were agreed and only very few were deferred, amended or rejected and there was relatively little board debate. However, Bieber notes that board chairs played a key role in mediating the relationship between the board and director. He suggests that the boards seem to have entrusted their chairs to establish a relationship with the directors and to oversee their work. Hence a board's support for its director was at least partially conditional on the chair's support. The relatively passive role of the boards may also reflect the balance of power in what Lorsch and MacIver (1989) call 'normal' times, when things are going well. They suggest it is usually in crises that the board becomes much more active.

Otto (2003) examines this important relationship between chairs and CEs in more detail. Her comparative research suggests that the chairs of voluntary organisations may be less proactive than their counterparts in the private sector and the relationship with CEs may be less conflictual than those in the public sector. Otto suggests that this more limited involvement may stem from the voluntary nature of the chair role and the absence of a clear statutorily prescribed role. It was a way in which the chairs of voluntary organisations could keep control of the time they committed to the job and also avoid or minimise conflict with chief executives.

However, the relationship between chairs and CEs may also be influenced by the type of voluntary organisation and the circumstances they face. Grant (2003) suggests not all chairs of voluntary organisations may be so reactive or careful to avoid conflict. In her analysis of the development of the women's movement organisations she highlights the sometimes fraught relations between chairs and chief executives. The analysis suggests in organisations which are predominantly voluntary in nature, paid staff may lack legitimacy, and there may be competition between chairs and CEs for prestige and influence.

How can the complex and paradoxical relationship between boards and senior managers and the resulting tensions best be managed? As Mole has pointed out tension and conflict seem most likely to occur when boards and senior managers have different expectations of their respective roles. The complex and interdependent nature of the roles offers plenty of scope for different interpretations. One way of trying to establish a productive working relationship is through explicit discussion and negotiation over roles and responsibilities. In previous case study research Cornforth and Edwards (1998) suggest that an important determinant of effective governance was that boards regularly review their relationship with management and how they were working together. This was also confirmed in a later survey examining perceptions of what made boards effective (Cornforth, 2001b). Harris (1993), drawing on action research in small voluntary organisations, goes further and suggests the value of a technique called Total Activities Analysis where boards and staff systematically review the organisations main activities and examine who should play what part in carrying them out.

THE INFLUENCE OF ORGANISATIONAL SIZE

The organisational context in which boards operate also influences how they work. This is most clearly demonstrated with regard to organisational size. Cornforth and Simpson (2002) in their survey of charities show a clear association between organisational size and various board characteristics and changes. They show that larger charities tend to have larger more structured boards and provide more formal support for their members. The research also suggests that there is a growing gap between the boards of large and small charities, with larger organisations finding it easier to recruit board members and provide them with support.

A weakness of quantitative studies like this is that they do not throw much light on how organisational size or related factors influence organisational governance. This is an issue taken up by Rochester (2003). Using case study research he examines in detail some of the constraints that the boards of small voluntary organisations operate under.

Rochester highlights the vulnerability of many small organisations dependent on a few key people to run the organisation and that are dependent on a single source of funds, which is subject to annual review and renegotiation. These constraints made certain board activities such as long term planning and taking a strategic perspective difficult. In addition the small size and the need to devote efforts to service provision often left the organisations isolated. In future research it may also be useful to view small size as a source of opportunities for boards, for example for board members to be in touch and

knowledgeable about the day-to-day work of the organisation, to be flexible and react quickly to events.

Rochester suggests a number of factors that enabled the governance systems in some of these organisations to overcome the 'liability of smallness'. He suggests that the blurring of the boundary between board and staff roles is more pronounced in small organisations, and that effective boards tended to share their work among many board and staff members rather than concentrate it in the hands of the few. These organisations are characterised by informality and successful leadership tends to be by example and involves nurturing and enabling rather than the use of formal authority. However, to be successful small voluntary organisations also need formal systems for board recruitment and to ensure board meeting were planned and conducted in an effective manner. So managing the tension between formality and informality was an important skill. Given their closeness to the day to day work of the organisation successful boards also needed to be able to balance their involvement in operational matters with the need to periodically take a longer term more strategic view.

CONCLUSION: NEW THEORY TO ENCOURAGE THE REFLEXIVE BOARD

An important motivation for this paper was the limitations of current academic theories of boards as a way of understanding boards or as a guide to action. Each of the main theories tends to give pre-eminence to one particular role of boards. They ignore the multiple and sometimes conflicting roles that boards play and the way these may shift over time in response to changing circumstances. Against this background the paper drew upon recent studies of public and non-profit boards in the UK to examine how contextual factors help shape board composition, strategy and various board paradoxes.

The paper has shown how the changing institutional and regulatory environment has influenced a range of public and non-profit boards. A number of common trends were identified, such as the greater use of practices and ideas from the private sector, and the greater involvement of private sector managers and professionals on the boards of quangos and non-profit organisations. However, it is important to note these changing were not uniform across the sectors and there was a good deal of variation between different sub-sectors, often stemming at least in part from differences in public policy and different patterns of regulation. In addition theories of organisational governance have also tended to ignore the influences of organisational differences on boards. In contrast this paper highlighted the importance of organisational size, and suggested that the boards of small non-profits organisations face a number of distinctive problems and issues.

The boards of non-profit organisations and quangos face new challenges. There are increased pressures for improved performance and accountability. Public and non-profit organisations are increasingly subjected to scrutiny by the media, and failings quickly pointed out (Gibelman and Gelman, 2000). At the same time public and political concern over the performance of many types of organisations has grown and in response regulatory regimes have been tightened. Many funders are requiring organisations to specify performance targets and put in place systems to monitor and report on their performance. As the demands on boards is increasing there are growing problems of

recruitment, and many board members report lack of time or concern over their responsibilities as the main constraint on their involvement.

How can boards deal in a realistic way with these new circumstances and the difficult and often ambiguous roles they have to carry out? Relying on how things have been done previously or simple prescriptions by themselves is unlikely to be adequate. Boards need to become more *reflexive* - to develop a capacity to regularly review their composition, board performance, how they work with management and how they manage various tensions in the light of changing circumstances. The reflexive board will need to give a high priority to its own maintenance and development. Unfortunately under pressure of time this is a function that often gets neglected.

Boards also need new conceptual tools to help them reflect on and understand the complex challenges they face. The implications for researchers on organisational governance are clear; we need to be developing new theories or models that take much more account of the inter-relationships between boards and the contexts in which they operate. Hopefully, the paradox perspective presented in this paper provides one useful framework for enabling boards to think about their different roles and the difficult tensions and ambiguities they face. Rather than search for the right board model or approach, boards need to try to find the right balance between the different 'pulls' created by the paradoxes given the circumstances they face. Board dysfunctions or problems usually occur when boards become attracted to one 'pole' and are no longer able to maintain a 'balance', for example when boards trust and support management so much that they forget to scrutinise their proposals and ask the hard questions, or become so involved in monitoring what management does and operational detail that they forget the big picture and neglect the organisation's strategy.

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