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Title: The role of institutional partnerships, external funding and empathy in the development of negative leadership behaviour

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Abstract:

The role of leadership in the success and failure of organisations is a well-researched area. However, much of this research takes a very individualistic view of leadership and does not explore the other factors that define leadership behaviour. In addition, this focus is often on the negative emotions associated with poor leaders, rather than the role that positive emotion (or a lack of) play in the development of a leadership and organisational culture. This paper explores the role of leadership in the development of an institutional partnership that established a work-integration social enterprise (WISE) with public money. The research was carried out over a two-year period in three stages: an early, middle and late phase. Semi-structured interviews were held with six of the Board members (three from each partner) as well as three of the senior WISE staff at each of the three stages (a total of 27 interviews). This partnership ultimately failed and the WISE is now a dormant company. The paper seeks to explain this failure by adopting a multi-theory analytical framework that includes 'violent innocence', 'empathy', and 'partnership theory' in order to show how a negative leadership style emerged at the WISE over time and ultimately led to its demise.

Introduction:

This paper reports and explains the demise of a work integration social enterprise (WISE) set up by a newly created partnership between two institutions; a university (hitherto referred to as UNI) and a regional social enterprise development agency (hitherto referred to as SEDA). The ‘institutional partnership’ received financial support from an external, international funding body (hitherto referred to as FB) to set-up a WISE and to develop the social enterprise to financial sustainability. The FB and the institutional partnership anticipated that the process of set-up and development of the WISE would be successful and that this process would provide a model, which could be replicated by future institutional partnerships. Unfortunately, the institutional partnership ultimately disintegrated and the WISE became a dormant company. This paper seeks to explain this demise by combining prior academic theory on leadership, partnership and collaboration into one holistic theoretical model. Specifically, the paper draws upon the concept of ‘violent innocence’ in which leaders seek to dominate subordinates (or those colleagues with equal power status) through the creation of organisational structures to promote their authority and encourage obedience (Vince and Mazen, 2014).

In addition, whilst the development of ‘violent innocence’ within an organisation has been predicated on negative human emotions and behaviours (Lazar, 2003; Fay, 2008; Pelzer, 2005; Sims, 2005), this paper suggests that it is also a lack of positive emotions, namely empathy and shared intentionality (Hourdequin, 2012) that also promote such negative leadership behaviour. Furthermore, the paper seeks to move away from the overtly individualised approach to explaining the development of violent innocence proposed by Vince and Mazen (2014), in which individual leaders create organisational structures to promote their authority and encourage obedience, by exploring how organisational structures and funding streams also create the need for individual leaders to behave in such a way. In exploring these concepts the paper draws upon partnership and multi-stakeholder collaboration theory, in order to explain how such institutionalised factors (internal and external) also promote the development of ‘violent innocence’ and how this can ultimately lead to the demise of institutional partnerships between public and third sector organisations. In combining these theoretical approaches, this paper makes an original contribution to knowledge and also provides valuable insights to practitioners that are seeking to establish public-third sector institutional partnerships using third-party funding streams.

Leadership and ‘Violent Innocence’:

‘Violent innocence’ is a form of individual and organisational denial about feelings, anxieties, perceptions and fears. It allows an individual to ignore or refuse to validate others’ perceptions of them by using power and authority to direct the blame elsewhere (Vince and Mazen, 2014). It is in effect a form of plausible deniability relating to the unpleasant things that leaders often do, allowing these negative actions to take place whilst ensuring that collectively they are not recognised. It allows an individual with authority over another to confuse or subjugate a subordinate, whilst at the same time being able to deny that this is what is occurring (Bollas, 1993). Indeed, Bollas (1993) states that this denial does not just emanate from the leader (or the individual with power), but that it is also the subjugated that enter into this ‘structure of innocence’. This acquiescence by the subjugated occurs in part because individuals have become socialised into the normative values of the leader/organisation that they work for (Vince and Mazen, 2014), but is also related to perceptions of self-interest (i.e. if I accept this situation I may secure a promotion or pay-rise). This can also be argued as occurring within partnerships or multi-stakeholder collaborations, as the *de jure* ideal of equal partners or structures actively hides the *de facto* hierarchical structures that result from funding relationships (Whitehead, 2007; Fenwick *et al.*, 2012). Therefore, dominant leaders or organisations in a partnership can seek to implement ‘violent innocence’ to achieve their ends, whilst at the same time as denying this within the ‘positive’ language of partnership. Conversely, subordinate organisations may not challenge this arrangement due to resource dependency or the perceived benefits that the ‘partnership’ will bring to them.

This culture of the implementation of ‘violent innocence’ by leaders and the acceptance of this by subordinates can produce a vicious cycle of self-replication in which the leader becomes increasingly assertive (and hence more ‘violent’), due to the passive dependence of staff on the leadership (which itself only increases proportionally with the leader’s assertiveness) (Kets de Vries, 2006). Such dependence positions the concept of violent innocence in the psycho-social realm, in which emotions and behaviours become crucial in the growth of unequal power relations and the continued subjugation of subordinates (Vince and Mazen, 2014). Prior research has identified that such violence has many specific forms that are based in negative human emotions and actions such as hatred, derision, contempt and indignation (Lazar, 2003; Fay, 2008; Pelzer, 2005; Sims, 2005). These perspectives however, ignore the role that positive emotions can play in defining the workplace, and how their

absence can also result in negative leadership behaviours. Specifically, empathy and shared intentionality have been shown in prior research to play an important role in the development of positive leadership behaviour (Kellett et al., 2006).

Empathy and Shared Intentionality:

In order for individuals to be moral, two key elements are required: attunement to others' *emotions* through empathy and attunement, and to others' *ends* through shared intentionality (Hourdequin, 2012). This has important implications for leadership research and in particular attempts to explain negative and positive leadership styles. Prior research by Kellett et al. (2006) identified that empathy was intrinsically linked with positive and effective leadership. However, in addition to this, the research also identified that empathy: "...helps explain a follower's sense of emotional support that in turn sparks creativity and performance in [organisations]" (Kellett et al., 2006:158). Kets de Vries (2006) identified that when 'violent innocence' occurs the result is a vicious cycle of dependency in which the subordinates become increasingly subservient to the leader, who in turn becomes increasingly assertive and hence 'violent' with them. As empathetic leadership seemingly has the opposite effect by empowering followers and encouraging creativity and positive performance, it is proposed that the emergence of 'violent innocence' in leadership behaviour is partly the result of a lack of empathy and shared intentionality between the leader and their subordinates. Indeed, it is argued that empathy is a crucial leadership trait in developing bonds of trust between leaders and subordinates (Kellett et al., 2006; Cameron et al., 2003), without which negative leadership and follower behaviours can occur as positive emotions are not shared between individuals and hence bonds are not formed (Plutchik, 1987). If a leader has an inability to identify with the perceptions and goals of their subordinates (shared intention) then they lack the cognitive skills required for leadership (Wolf et al., 2002) and hence will seek to mask this inadequacy through the use of authority and power to direct the blame elsewhere (Vince and Mazen, 2014).

Whilst the role of individual personalities and their emotions and behaviours are very important in shaping leadership styles and hence organisational performance, one should not focus solely on the personal to explain leadership. Indeed, organisational structures and external factors can also affect leadership styles and behaviour. In explaining the development of 'teams' within organisations the environment created within an organisation

has been shown to be crucial in determining whether a group of individuals becomes an effective ‘performing team’ (Sheard and Kakabadse, 2002). This is even more important when operating in environments that have been created by institutional partnerships or collaborations, as multiple structures, aims and leadership personalities can be operating at any one time. In this scenario, no one organisational structure or leader is solely driving the performance of the organisation or the leadership styles adopted. Indeed, a board of directors representing the interests of the partner organisations instead hold power and authority within the organisation in question. It is therefore important to explore partnership and collaboration theory in order to develop a holistic understanding of leadership and its role in shaping performance.

Institutional Partnerships and collaborations:

A partnership is a multi-stakeholder arrangement in which different stakeholders seek to take common ownership of a problem, as well as committing to solving these and using each partners’ strengths to improve collective organisational performance (Coulter, 1999; Gallant *et al.*, 2002). In theory, a partnership is a non-hierarchical structure within which all partners have equal status and input into strategic operations (Coulter, 1999) and is concerned with describing the merging of the several partners (Carnwell and Carson, 2008). When a partnership has been established the new partners engage in ‘collaboration’, through which they work to solve common problems (Carnwell and Carson, 2008). The terms ‘partnership’ and ‘collaboration’ are often used interchangeably (Hazenberg and Hall, 2014) but they are two different concepts that relate to the same phenomenon. The establishment of partnerships and multi-stakeholder collaborations has become increasingly popular in solving social problems, as it is seen as a good way to maximise civil society involvement (Fenwick, Miller and McTavish, 2012).

Partnerships can be formal (i.e. have a legal status) that commits the partners to certain structures and actions (Rose, 1994) or informal, in which mutual interest drives partner engagement and action (Domberger *et al.*, 1997). For the purposes of this research, the focus of the study was on formalised partnerships, in which a new legal organisational form is created that embodies the partnership and acts as a vehicle for its actions and outcomes. This can be defined as an ‘institutional partnership’ (this concept is explored in more detail below). Whilst there are numerous benefits associated with partnerships in general, for

instance the provision of added-value (Steijn et al., 2011); democratic decision-making processes (Guest and Peccei, 1997); and enhanced employee rights/engagement (Roche, 2009); there are also many possible negative outcomes to engaging in partnerships. Indeed, partnerships are viewed as highly dependent relationships (Steijn et al., 2011) in which one partner's failure can adversely affect other stakeholders. In addition, partnerships have been shown to be extremely time-consuming and resource-intensive (Huxham, 2003) and prone to communication problems (either deliberate such as the withholding of information, or accidental) (Currie, Finn and Martin, 2007; Dawes, Cresswell and Pardo, 2009). Partnerships can also involve partners pursuing their own goals and agendas (Martin, 2010) and where hidden structures (usually relating to funding arrangements) can subvert the formalised decision-making structures (Whitehead, 2007; Fenwick *et al.*, 2012). All of these potential problems can damage the formation of trust between partners (Domberger et al., 1997) and perhaps explains why so many partnerships end in failure (Weiner *et al.*, 2000).

When institutional partnerships form social enterprises they tend to be more 'conflictual' than single-stakeholder social enterprises (Spear, Cornforth and Aiken, 2009). This conflict can be based upon "delegate syndrome" (i.e. when a board member represents particular stakeholder interests rather than acting in the overall interests of the social enterprise) (Mosley, Maronick and Katz, 2012). This delegation often results in the appointment of CEOs by the board that then employ inadequate management monitoring systems, which result in the failure of the social enterprise (Pearce, 2006). Partnership formation is therefore a complex and difficult process to engage with, and whilst the results can be very positive, they can also be extremely negative. However, whilst the problems of partnership formation and the outcomes of these are well understood, the underlying causes behind the breakdown of formalised partnerships have not been holistically understood. Instead, prior research has focused upon the independent roles of poor leadership (Martin, 2010; Mosley, Maronick and Katz, 2012); unsuitable organisational structures (Whitehead, 2007; Fenwick *et al.*, 2012); and ineffective communication between partners (Currie, Finn and Martin, 2007; Dawes, Cresswell and Pardo, 2009).

Summary:

The literature reviewed above has provided an overview of the prior literature surrounding leadership theory (and specifically the concept of violent innocence); the role of personality traits in leadership (empathy and shared intentionality) and partnership theory in explaining organisational success/failure. It is proposed within this study that conceptualising the development of an institutional partnership through a lens of empathy and shared intentionality, provides an explanation for the leadership styles adopted within the organisation and hence the reasons behind the success or failure of said organisation. In this instance, as the organisation failed, the research posits that the failure of the board of directors to build empathy and shared intentionality within the organisation led to a culture of ‘violent innocence’ and ultimately the demise of the institutional partnership.

Research Aims

The research aimed to reveal the development of the ‘institutional partnership’ and to record its progress in successfully/unsuccessfully developing the WISE to financial sustainability. Specifically, it sought to explore this success/failure in relation to the below three specific research questions:

1. The impact of affective cognitive factors on the development of organisational culture and leadership behaviour.
2. The impact of organisational factors (governance and funding) on the development of organisational culture and leadership behaviour.
3. How the organisational culture that developed:
 - a. Impacted upon leadership style;
 - b. Contributed to the success/failure of the institutional partnership.

Method

Participants:

Interview data was collected at three discreet points in time: the early phase (time 1); the middle phase (time 2); and the late phase (time 3). The total number of participants interviewed at all three data collection points was 9 and consisted of 3 directors representing UNI, 3 directors representing SEDA and 3 members of the WISE staff. All participants were assured of anonymity in the research process so as to ensure that honest and true accounts of their experience were collected.

Procedure:

At all three data collection points, all participants engaged in individual semi-structured interviews with a researcher. The interview schedule was semi-structured in nature so as to ensure that issues relating to participant's experiences, emotions, and organisational perceptions were captured, but that the participants were also free to discuss *any* areas that they felt were important. This process resulted in twenty seven interviews, which were recorded and transcribed for future analysis.

Analysis:

The interviews used a narrative approach (Reissman, 1993) in order to elicit participant's perspectives and their understanding of the development of the institutional partnership and the drive towards achieving sustainability. These narratives were collected during the three phases of the research, in order that the 'story' behind the development of the institutional partnership could be told. Common themes across these three phases were identified so that the changes within the organisation could be more clearly understood throughout the two years that the institutional partnership was active. Specifically, change was viewed in relation to leadership style, organisational culture and the experience of working within the partnership. The approach to the data analysis was both inductive and iterative, as whilst the researchers were familiar with the prior literature surrounding leadership, partnership/collaboration and empathy/shared intentionality, the research did not test any pre-determined set of hypotheses or choose a model *a priori*, but instead used the data to develop a theoretical understanding (Feldman et al., 2004). The analysis focused on the stories of how

the participants 'made sense' of the institutional partnership (Weick, 1995) with the main narrative themes emerging from the data being 'Communication', 'Funding Body Influence', 'Partnership Cohesion', 'Leadership', 'Sustainability and 'Organisational Change' (Miles and Huberman, 1994). These participant perceptions were then related to the prior leadership, partnership and cognitive behaviour literature, with violent innocence, empathy/shared intentionality, and institutional partnership theory emerging as the analytical base. This allowed the analysis to not only identify commonalities with the prior research, but also allowed the research to build a holistic theoretical model of the development of institutional partnerships between public and third sector organisations using public funding streams.

Results

The narrative themes to emerge from the data analysis are presented below, with exemplar quotes provided to demonstrate the emergence of the themes. As the data was collected at three different points in time example quotes for each theme from each phase of the research are provided to demonstrate the changes that occurred over time. Additional quotes are then provided during the discussion to support the theoretical propositions made by the research. However, first there is an exploration of what happened to the institutional partnership over its lifetime in order to provide context to the reader in relation to the data.

The 'story' of the institutional partnership and the WISE:

Work on the development of the work integration social enterprise (WISE) began during the early part of 2008. This initial work was undertaken by a group of interested parties and resulted in a bid for funding being submitted by SEDA and UNI to a European funding stream in August 2009. The funding bid was successful and ultimately led to the formation of the partnership and the WISE, which began trading in March 2010. The aim of the WISE was to assist young people not in employment, education or training (NEET), unemployed graduates and unemployed professionals back into work through work experience and education/training programmes. The FB agreed to provide funding for the first two years of the WISEs existence, which could be used to establish the WISE and finance its running costs over that period. The aim of the project at the end of the two-years of funding was to become sustainable. This sustainability was never achieved, and whilst the project targets set by the FB were all met the WISE became a dormant company in August 2012.

Theme A - Communication:

This theme was recurrently negative throughout the three phases of the research, as communication (especially between the board and the staff) was poor. In the early phase of the partnership the board of directors did not meet often and when they did meet it was often to ‘firefight’ crises as opposed to build strategic direction.

“I would say communication is OK but distant. I mean we communicate via emails, we don’t have frequent meetings and in an ideal world we ought really to set aside some time to meet not when we’re confronting a crisis but when we are actually trying to establish a strategy”. (SEDA Director – Early Phase)

By the middle phase of the project this had not improved and the staff felt that there was a serious lack of direction coming from the board of directors about the strategic priorities of the institutional partnership.

“The quality of the communication from the top down from management down is terrible. There’s no clear goals, there’s no.....nothing is clear, everything is wishy-washy and like a fantasy like this is....nothing’s actually got like a clear out goal there’s no clear communication from the top down to the team about what we are supposed to do. Nothing, there is like a complete barrier of communication downwards and all the team feel it or felt it.” (WISE Staff – Middle Phase)

By the end of the project this lack of communication had become part of the general apathy surrounding the institutional partnership, as the partner institutions and the board members accepted that the partnership and the WISE would not continue beyond the end of the funding project.

“Another example is that the communication between the board, they obviously know, they’ve known for a long time probably that things were not going to carry on much longer because they haven’t got the money and they aren’t doing anything to make it carry on so they must have known that but our contract ends in September.” (SEDA Director – Late Phase)

Theme B – Funding Body Influence:

This theme was characterised by the often negative effects of the reporting requirements put in place by the Funding Body, which was seen as time-consuming and detracted from the goal of working towards sustainability. In the early phase of the WISE the staff were struggling to ‘get to grips’ with the different reporting formats and this was causing a lot of time to be spent/lost on amending problems with paperwork.

“There can’t be one mistake on the form, it can’t be crossed out and initialled over, a new form has to be completed. After going through reams of forms and speaking to over a hundred people and filling in over a hundred forms for instance, it was found out that there were seven different styles of this one particular form on the company hard drive and nobody had gone in every time one was amended and deleted the old one off.” (WISE Staff – Early Phase)

Following the resignation of CEO 1 the middle phase was characterised by a push from the board of directors (that included one of the Directors becoming an acting CEO) to get back on track with the Funding Body’s reporting requirements. Indeed, this was almost the sole focus of the interim CEO, as opposed to driving towards sustainability.

‘I think with me going in to fill that void when CEO left my focus was on primarily ensuring that existing contracts were delivered so there would be no ‘claw-back’, there would be no contractual issues and that we could actually start having some successes around delivery. And I think to a large extent that’s been achieved in terms of numbers going through the matched funding elements or the outputs required for the matched funding elements of the programme have been hit.’ (UNI Director – Middle Phase)

The Funding Body requirements ultimately culminated in the failure of the WISE to achieve sustainability once the funded project ended. Indeed, this was acknowledged in the Late Phase of the research, with the almost perverse outcome that despite the failure to achieve the project *aim* of sustainability the Funding Body was happy because the project outcomes had been achieved.

“From a contract point of view, I think the delivery and everything that [Institutional Partnership] is doing down there they’ve actually achieved the entire contract that they were contracted to do. And the one remaining contract [that] at the moment is in place, the funders are quite happy with the direction and are actually quite pleased with some of the results and the direction that it is going in. So, I think from that point of view, if you look at the delivery and the contracts, everyone’s been quite happy.”
(SEDA Director – Late Phase]

Theme C – Partnership Cohesion:

Perhaps one of the most important factors in the failure of the WISE commercially, was the demise of the institutional partnership itself. This was characterised by a lack of clear vision of what the different partner’s roles were, how the governance structure chosen would be implemented in relation to strategic goal-setting and by an inability of the Board of Directors to leave the interests of their parent organisations at the door. In the early phase of the WISE this was not necessarily recognised by board members, as the project was still in its infancy and so the problems within the partnership had not yet become evident.

“So, I guess it’s been good to discover there is not a big conflict within the board in any sense. I think there is a fair degree of unanimity between all the six members of the board in fact, even though they come at it from rather different perspectives. There was a possibility in any particular joint venture of this nature that there could be a kind of them and us position between SEDA nominated members and the UNI nominated members. But I don’t perceive that to be an issue.” (SEDA Director – Early Phase)

However, by the middle phase of the project the fractures in the relationships between the partners were becoming to be recognised, with some participants already articulating a belief that some Directors (particularly from the UNI side) had already mentally disengaged from the project. Interestingly, one of the advocates of this view was a UNI Director.

“Some of the key things were about meeting the reporting and hierarchical needs of UNI, the lack of shared vision between SEDA and UNI, but also a lack of vision from

UNI. I think certain directors have taken the view that they will just sit on the sidelines and watch it nose-dive and then stand aside and say well we knew it would go wrong, rather than pro-actively promoting it and try to move it forward.” (UNI Director – Middle Phase).

By the late phase the partnership had completely broken down and both of the institutional partners were seeking favourable exits from the arrangement for their organisations. This was exacerbated by the appointment of a new CEO to SEDA, who did not see the value in the WISE or the institutional partnership, and also did not personally get on with one of the UNI Directors.

“SEDA took on a new CEO who fell out big time with [UNI Director]. They had a stand up row and we never really got past that. He actually came in with the intention that he wanted [Institutional Partnership] to fold. He couldn't see the point he couldn't see the purpose. It was a total distraction but I think more importantly what has happened is he also saw that there was a funding stream that he was having to share with [UNI] to keep [Institutional Partnership] going. If he could end that relationship the funding stream would then go into SEDA.” (UNI Director – Late Phase)

Theme D – Leadership:

Leadership (or a lack of it) was the most critical factor in the failure of the institutional partnership and hence the WISE. There remained a lack of strategic vision and leadership from the Board of Directors, who often blamed the CEO or staff for not understanding what the aims of the partnership were. This was recognised by the staff even in the early phase of the project, and can also be evidenced by the fact that the WISE had three CEOs during the two years of the project, all of whom failed to build in sustainability to the WISE.

“[WISE Staff Member] and I are both mature members of the team. We've had prior experience of the workplace and different management roles. Understanding that vision and that overall objective would explain some of the management decisions that have taken place; but I don't have sight of that so it's very difficult to justify the management style at times.” (WISE Staff – Early Phase)

By the middle phase of the WISE this failure was beginning to lead to a culture of blame within the partnership. Indeed, the Board of Directors (whilst recognising some of their limitations) blamed the initial CEO for the problems. The staff were unsure as to the reasons for a lack of leadership but were desperate for it to emerge from somewhere. During this phase the third CEO was recruited, but unfortunately this only exacerbated the problems as he was generally perceived by both the staff and the board as lacking the necessary skills to reverse the demise of the WISE.

“I don’t think we are really collectively and in some cases individually really willing to do things for the good of the company. I think that is a problem. If we had a strong and effective CEO you could side-line the board and that wouldn’t matter but given that we haven’t, the board does need to do things. It comes along and it talks, I’m not really sure it ever decides anything and I don’t think its actual contribution to the business is very good.” (UNI Director – Middle Phase)

By the late phase of the project this lack of leadership and the placement of blame had been replaced to a degree by apathy as the Board of Directors accepted that the WISE would fail and both institutional partners looked for suitable exits from the partnership. Nevertheless, despite some recognition of the Board’s failings by its members, the CEO and the staff within it were still seen as responsible for the failure.

“I think the directors collectively didn’t succeed, which is a way of saying failed I suppose. Because once [CEO 2] stopped being acting CEO frankly the thing didn’t progress. I am disappointed with the performance of the company and some of the individuals in it. It seems to me they didn’t get so many of the basics right and we as directors, we did pick up that it wasn’t being addressed and we did say this should happen but we were unable or unwilling to force it to happen.” (UNI Director – Late Phase)

Theme E – Sustainability:

This theme was concerned with the WISE's drive towards sustainability, which in the end was not achieved. From the early phases of the project there was doubt about the efficacy of creating a large and sustainable WISE using public funding, due to the nature of the organisational structures being designed around the funded project rather than with the sole intention of being a sustainable business.

“I think it comes down to the fact that it is quite difficult to set up a relatively large organisation with complex activity through funding, which then allows you to employ a number of people who have to then function collaboratively and then to look at how to sustain that activity beyond the period of funding when perhaps the activities have been designed around a funding stream rather than necessarily around a business approach that would allow you to be able to sell some of those services in the open market or public sector market.” (SEDA Director – Early Phase).

By the middle phase of the partnership the problems that had been experienced in the early phase of the project were already being used to explain the lack of sustainability. Indeed, it was felt that a further two years would be needed to achieve sustainability, even though the WISE at this point was almost 18 months into the two years of funding.

“In reality, 18 months with the problems that we have had in terms of the team, it's not enough to get from zero to sustainable; it's going to need another couple of years. People like [other UNI Director] have got to consider what the hell they're doing sat round that [boardroom] table.” (UNI Director – Middle Phase)

By the late phase of the project the Board of Directors were lamenting the missed opportunities that had occurred during the two years of the project. It was felt that failure to recruit a suitable CEO, along with failings on the board had contributed to the lack of sustainability achieved within the organisation.

“I think there were big opportunities for [Institutional Partnership] to become sustainable and make its way independently following the programme but I think they have not been acted upon for a number of reasons. You know the board, the leader, the manager going, probably not having the right person in place. I think there's been

opportunities missed and I think it will be a shame if this divide between SEDA and UNI, if it all just has been for nothing.” (SEDA Director – Late Phase]

Theme F – Organisational Change:

The final theme related to organisational change throughout the two years of the programme and as such only appeared in the data for the middle and late phases of the project, as it related to perceived changes in the WISE following the initial early phase. During the middle phase of the project despite the significant problems and management/structural changes it was still felt by board members that the overall aims of the project had not changed. However, it was also felt that the reductions in funding and the need to find sustainable sources of income, alongside ineffective management changes, were affecting the organisations ability to pursue this mission.

“No, I don’t believe there have been any fundamental changes in the purpose of (the WISE) since we last spoke. I mean my recollection is that we have this organisation designed to encourage education, employment and enterprise and I believe that those purposes still apply to [Institutional Partnership] and I think that the changes in management that have occurred, various different changes over the period of time have not actually fundamentally altered what it is that the organisation is seeking to achieve.” (SEDA Director – Middle Phase)

“I think there has definitely been a change as the funding is drying up now. There’s a change in....we haven’t really got a direction at the minute about whether we are going down that route [funded project] or whether we are going to be going commercial. It seems like we are stuck in limbo at the moment.” (WISE Staff – Middle Phase)

By the late phase of the project the organisation had become an entity without a mission, over and above satisfactorily completing the funded project. The lack of leadership from the Board of Directors and the lack of a CEO (CEO 3 had by now resigned) had left staff morale extremely low and any focus on sustainability was by now gone. The staff were critical of this lack of direction, yet still looking for leadership.

“At the minute there is no purpose. We haven’t got a purpose our only job is to finish our [Funding Body] contract, which we are not doing very successfully. The purpose of helping people and our project has disappeared so I don’t see a purpose anymore. I am working off my own steam. I haven’t got any boss really. [SEDA Director] comes down once every now and again to try to help us then I just do what she wants. I’m already doing it anyway.’ It [morale] is extremely low because we have not had any guidance or any manager really. They [the board] gave us a future plan when [CEO 3] first left and that was the end of that. It was a future plan that lasted like about five minutes and then that was it.” (WISE Staff – Late Phase)

Discussion

The data outlined above in the results section outlines the development of the WISE during the two years that it existed, by providing three snapshots in time in which the participants could reflect on the developments to date. This overview presents a story of how the leadership provided by the board of directors changed over time in relation to the changing priorities of the partner organisations and the evolving requirements of the business model and the funding body. These results are now discussed in relation to the prior literature outlined earlier on violent innocence, institutional partnerships, multi-stakeholder collaborations and empathy/shared intentionality. This discussion is presented chronologically in relation to the three phases of data collection in order to demonstrate these changes and the individual and organisational factors that drove them. Participant quotes are used to contextualise the theoretical arguments.

Early Phase:

The early phase of the partnership was characterised by optimism, recognition of the challenge ahead (particularly regarding sustainability) and an inability to recognise the problems that already existed at board level and within the partnership. This latter failure to identify the problems within the partnership can be viewed as demonstrating the beginnings of a leadership culture of ‘violent innocence’, as the organisation as a whole was in denial (Vince and Mazen, 2014). This was typified by poor direction from the board characterised by a lack of communication, which resulted from infrequent and irregular board meetings. Such problems are a well-recognised issue for new institutional partnerships (Currie et al.,

2007; Dawes et al., 2009), and in this case this lack of engagement from the board and the resulting lack of communication to the staff and the original CEO were critical in the crisis that occurred at the end of the early phase. The growth of violent innocence within the organisation was typified by the board's perception of the original CEO, who they blamed for many of the problems (see the quote below). The board clearly sought to subjugate the CEO (Bollas, 1993) and were sometimes derisory in their behaviour towards her (Fay, 2008). In particular, the reportable data required by the Funding Body was seen as the CEO's responsibility, and whilst she must take some of the blame for this [research by Pearce (2006) has pointed out that this is the responsibility of a social enterprise CEO], the lack of direction as to whether the core mission was delivering a funded project or achieving sustainability must rest with the board as the strategic decision-makers.

"I don't want to lay all the blame on CEO because she's not here but there were discussions, certainly in steering group, as to what the numbers were and there were meetings with CEO separately to go through outputs and things. So she should have understood what the outputs [a Funding Body requirement] were and how she communicated those to the staff team and that seems to be where it broke down."
(SEDA Director – Early Phase)

Within this the board also from the very formation of the WISE struggled to leave their parent institution's interests out of their decision-making processes. Again, this is a common problem in institutional partnerships (Martin, 2006) and has been shown to be prevalent in social enterprises established as partnerships as well (Mosley et al., 2006). This was also complicated by the structure of the institutional partnership. Indeed, whilst the partnership was meant to be equal, the differing roles of the institutional partners meant that *de facto* pockets of power existed. SEDA controlled and were responsible for the funding that was supplied by the FB, and so were more likely to push for the contract deliverables to be prioritised over the social mission or drive for sustainability. In contrast, the original idea for the WISE had been the idea of one of the UNI directors and so he was more committed to the beneficiaries and the social mission. This put him at odds even with the other directors from UNI, who usually considered the interests of the University over and above those of the WISE, as is shown in the quote below.

“We knew he was going to act in the way he does because, quite reasonably from his point of view, he acts in what he sees to be the interests of [UNI]. And I think he sometimes misunderstands the role of the director, which is to act in the best interests of the company. I think he sometimes finds it difficult to separate the two.” (UNI Director – Early Phase).

There was therefore an extremely fractured strategic decision-making structure beginning to emerge at the end of the early phase of the project, which was causing problems in both delivering the funded project targets and in seeking to achieve sustainability. It is proposed by the researchers that these problems were the result of a lack of empathy *within* the organisation. Indeed, whilst the board all empathised with the WISE’s beneficiaries, they were not emotionally attuned or empathetic to the needs of their CEO or their staff (Hourdequin, 2012). This lack of empathy was in part driven by individuals pursuing their own agendas and partly by the requirements of the FB and the unclear organisational structure of the WISE (in *de facto* terms). These pressures when combined with the lack of empathy led to negative leadership behaviours (Lazar, 2003; Fay, 2008; Pelzer, 2005; Sims, 2005) and hence violent innocence (Vince and Mazen, 2014). This was already being recognised by the WISE staff in this early phase, although for their own personal self-interest (i.e. keeping their job) they did not challenge this (Kets de Vries, 2006). The below quote exemplifies this recognition.

“I think the group dynamics and the harmony within [WISE sub-department] has fallen apart, utterly fallen apart. And I am sure that [Staff member] and [Staff member] would crucify me for saying that. But I don’t think that it’s either of their faults at all. But it has, the cohesion there is.....it’s been undermined [by the leadership] to a point where it is just collapsing.” (WISE Staff – Early Phase)

Middle Phase:

The middle phase of the project saw the situation quickly deteriorate to the point where the original CEO resigned and was replaced in an interim capacity by one of the UNI directors. At this point temporary direction was provided by CEO 2 in the need for full focus to be put on meeting the FB requirements (as they were well behind their targets). Whilst at this stage the drive towards achieving sustainability was temporarily suspended, in reality this was

permanent as sustainability never reappeared (in any meaningful way) back on the strategic agenda. The blame culture continued to grow within the WISE, with the ex-CEO and the staff increasingly being blamed by the Board for the current failings of the WISE. This blame was centred on an inability of the staff to be entrepreneurial and the role of the FB in undermining entrepreneurship through onerous reporting schedules (as the below quote exemplifies). It is argued that the direction of blame elsewhere was a case of the Board using their power and authority to divert attention away from their own failings and identifies the growth of violent innocence within the organisation (Vince and Mazen, 2014).

“The projects seem to drive out the ability to be entrepreneurial and I think it is very difficult for the board to be entrepreneurial on behalf of the organisation. The board has to stimulate entrepreneurship within the organisation and has by and large failed to do that to achieve that.” (UNI Director – Middle Phase)

Communication between the Board members remained problematic and despite the ongoing organisational crisis it was felt that emailing each other between meetings would prove an adequate solution (see the quote below). This level of denial only grew within the board and further exemplifies the culture of violent innocence that was emerging (Vince and Mazen, 2014). It is proposed that this lack of regular and ‘real’ personal contact only exacerbated the lack of empathy within the WISE between the Board members (and the CEO and staff), which exacerbated the growing problems in the partnership (Hourdequin, 2012). This emotional detachment contributed to the increase in negative leadership behaviours and emotions such as hatred, derision, contempt and indignation (Lazar, 2003; Fay, 2008; Pelzer, 2005; Sims, 2005), which would ‘bubble to the surface’ between some board members in the late phase.

“I think we are communicating more frequently mostly still by email between the board meetings.” (SEDA Director – Middle Phase)

These problems were further exacerbated when a third CEO was appointed at the end of the middle phase. He was instantly disliked by the staff and the Board recognised that they had made a mistake in appointing him. The new CEO’s responsibility was to drive the WISE forwards to sustainability but his prior experience was all in delivering funded projects. His leadership style was very withdrawn and he did not seek to build empathetic relationships

with the staff (Hourdequin, 2012), nor to gain the trust of the Board or the staff (Domberger et al., 1997). This only added to the increasingly prominent culture of violent innocence within the WISE, as the Board and the staff had no confidence in the new CEO and increasingly some board members (particularly one of the UNI Directors) began to mentally withdraw from the project.

“I think the chief executive [CEO 3] has done exactly what we told him not to do, which is move out of the room where all the team are and take himself off to a room upstairs. And when I saw that, I thought oh dear because he is clearly seen as a clown by the team; that was obvious in Sweden. He made no attempt whatsoever to speak to his team. They made no attempt to speak to him to such an extent it was...and I expected being over there we might talk business but no. No, he’s not going to do it; he’s not going to make it.” (UNI Director – Middle Phase)

“He [CEO 3] hasn’t got a leadership style, he is not a leader, he’s all talk there’s no actual management situations and stuff. It’s all ‘phaff’ if that’s a real word.” (WISE Staff – Middle Phase)

Late Phase:

By the late phase of the project the partnership was disintegrating and the organisation was merely focused on successfully completing the funded project (in relation to the FB’s reportables). It was during this phase that the culture of violent innocence fully came to the fore, with negative emotions and personality clashes occurring within the Board and CEO 3 resigning from the company. During this phase the SEDA recruited a new CEO who did not see the value of the partnership and was reluctant to share the funding stream that SEDA controlled. Due to this the partnership began to fall apart very quickly, as UNI resented SEDA’s attempts to exert the power it held through the funding arrangements to control decisions relating to the WISE. This brought to the fore the *de facto* hierarchical structure that existed due to the funding relationship (Whitehead, 2007; Fenwick *et al.*, 2012) and provides a clear example of ‘violent innocence’ occurring within the Board as the SEDA CEO sought to further his organisation’s ends.

“I think when [New CEO at SEDA] got involved communication was going to break down one way or another. [New CEO at SEDA] had made it very clear to me that he didn’t see the point. He didn’t see the reason the purpose and wanted out anyway. With [him] coming in I think it was always going to be that SEDA would drop out. It was just the nature of that separation became an issue.” (UNI Director – Late Phase)

However, the arrival of the new SEDA CEO was really just the ‘final straw’ as it brought to the surface all of the problems that had existed within the partnership from the early phase onwards. The lack of communication (Currie et al., 2007; Dawes et al., 2009); the ‘delegate syndrome’ of some of the Directors on the Board (Mosley et al., 2012); the blame culture that existed towards the staff and CEOs (Vince and Mazen, 2014); and the pressures from the FB for reportable data (Whitehead, 2007; Fenwick *et al.*, 2012); had all contributed to creating an organisational leadership in which violent innocence and negative emotions pervaded (Lazar, 2003; Fay, 2008; Pelzer, 2005; Sims, 2005). The organisation was devoid of empathy and shared intention (at least internally) (Hourdequin, 2012) and exacerbated by a staff that was subordinated and confused (Vince and Mazen, 2014). This created an environment in which entrepreneurial behaviour was inhibited and real direction was lacking in the drive towards sustainability (and often even in delivering the funded project). At the end of the project this was perhaps even recognised by some of the Directors, as one stated when discussing the lack of strategic vision.

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

Theorising the performance of an institutional partnership:

In theorising the performance of an institutional partnership established as a WISE this paper makes an original contribution to knowledge by combining theory on the role of negative leadership behaviour (violent innocence) and positive emotions (empathy and shared

intentionality); with an organisational focus on institutional partnerships and funding streams (see Figure 1 below). This cognitive/organisational theoretical hybrid allows for a more nuanced and holistic understanding of the reasons behind the failures of institutional partnerships, and hence seeks to contribute to academic and practitioner understanding of organisational failure. Indeed, the case-study presented in this paper provides a perfect example of exactly what not to do when establishing an institutional partnership with public funding.

[Insert Figure 1 here]

Figure 1 above outlines the role that both cognitive and organisational factors have in shaping the success (or otherwise) of an institutional partnership. In this model it is proposed that conceptualising the development of an institutional partnership as a two-way, hybrid entity in which individuals (through their behaviour) can shape performance and organisational structure; but within which organisational structure and funding arrangements can also affect individual behaviour; means that the development of leadership styles and staff engagement can be explained more holistically. Within this analytical framework, if the leadership style adopted is positive, then a culture of empathy (Hourdequin, 2012) and trust (Domberger et al., 1997) develops and the management and staff within the organisation become an effective team (Sheard and Kakabadse, 2002). However, if the cognitive and organisational factors within the partnership lead to negative leadership behaviour then a culture of violent innocence pervades (Vince and Mazon, 2014) and the organisation ultimately fails (like many partnerships) (Weiner *et al.*, 2000).

Summary

This paper has sought to identify the reasons behind the failure of an institutional partnership that established a WISE using public funding. In exploring this it has demonstrated that both cognitive and organisational factors determine success or failure and that both can impact on each other. It is proposed that the case-study that was examined in this research failed because a lack of empathy, shared intentionality and hence ultimately trust failed to develop between the Board of Directors and the staff within the WISE (Hourdequin, 2012; Domberger et al., 1997). This failure to develop positive emotions and leadership styles within the WISE led to a culture of violent innocence developing in which the usual problems

of partnerships (poor communication; delegate syndrome; hidden power structures; funding pressures) flourished (Currie et al., 2007; Dawes et al., 2009; Mosley et al., 2012; Whitehead, 2007; Fenwick *et al.*, 2012). This led to the growth of a culture of violent innocence (Vince and Mazen, 2014) and ultimately to the failure of the WISE. This paper is limited by its single case-study organisation and hence its small dataset. However, the theory proposed offers useful insights to academics and practitioners that can be both tested in future research and future institutional partnerships.

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