

# Managing Change in Nonprofit Organizations: Insights From the UK Charity Retail Sector

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*Moves toward increased professionalism are now an almost taken-for-granted aspect of change across the nonprofit sector both in the United States and in the United Kingdom. This paper uses the case of UK charity retail to explore the impacts of this move to professionalism, on managers at the local level. In doing so it seeks to develop appropriate techniques for managing change both in charity retail and more broadly, in nonprofit organizations per se. The professionalization of charities' trading activities has resulted in a series of changes at the local level; these include the introduction of new forms of staff, changes to policies regarding the sourcing, pricing, and presentation of stock, and an increased emphasis on sales targets, league tables, and incentive schemes designed to motivate managers to increase sales. These policies set at head office level have had significant impact on the day-to-day working experiences of branch managers. This paper explores managers' reactions to these changes and examines the extent to which such policies could be said to be successful. To conclude, recommendations are made as to the most appropriate approaches to professionalizing charity retail operations. These conclusions are broadened to offer insights into appropriate techniques for managing change in nonprofit organizations.*

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**KEY WORDS:** nonprofit; change management; professionalism; retail managers; charity retail; United Kingdom.

## INTRODUCTION

The workforce of volunteers that has proved to be the backbone of the charity retail sector in the United Kingdom (UK) has changed little since the inception of this retail format (Broadbridge and Horne, 1994). Admittedly new types of

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volunteer have mixed in with the traditional cohort of elderly and retired women, but the ethic of volunteering has remained essentially the same, that individuals give up their talents and time freely for the charity. However, it could be argued that the ethic behind managing charity shops has changed significantly in recent years. The sector has undoubtedly undergone a process of professionalization and bureaucratization.

While in the early years of charity retail (the 1980s) most shops were managed almost entirely by volunteers; in an increasingly competitive environment, employing paid staff in charity shops is seen as the only effective way to increase sales. Figures on the sector are not available prior to the inception of the annual NGO Finance survey of charity shops in 1992. But these reports suggest a steady increase in paid staff. In 1995 figures were collected on paid staff for the first time. In 1995 the average wage bill as percentage of turnover was 21.8%; this has since grown to 28.6% in 2002 (NGO Finance, 1995; Charity Finance, 2002). The investment and overall belief in the benefits of paying managers are highlighted by a comparison with commercial retailing where the wage budget is typically only between 6.5 and 9.5% of the turnover (Broadbridge, 2002).

At more senior levels of management “professionals” have been recruited from the commercial (noncharity) retail sector. These staff have tended to transfer across to the charity sector management practices and policies developed in the for-profit sector (Broadbridge and Parsons, 2003a; Parsons, in press). This transference of knowledge has not only impacted the shop floor practice but has done so in the way in which the charity shops operation is represented increasingly as a “retail business” as opposed to a “charity shops operation” (Gregson *et al.*, 2002). The policy changes discussed later fall into three main categories. First, the introduction of a range of new forms of staff, which includes “volunteers” such as New Deal work placements and paid assistants;<sup>3</sup> second, changes to policy regarding the sourcing, pricing, and presentation of stock; and third, the introduction of sales targets, incentive-based bonus schemes, and league tables to encourage competition between shops. Each of these sets of changes has had impacts both on the working experiences of charity shop managers and on the overall shop income. In this paper we explore managers’ reactions to each of

<sup>3</sup>The New Deal for the Unemployed was rolled out across the UK in 1998. The program targets unemployed young people aged 18–24 who are in receipt of Jobseekers Allowance, aiming to improve their long-term employability and ultimately to match them with jobs. The program begins with a Gateway where job-seeking advice and support is offered for up to 4 weeks. At the end of this period, if the individual has not found an unsubsidized job, they are offered one of four options: (1) a subsidized job; (2) full-time education and training; (3) work with a voluntary sector organization (VSO); (4) work with an environmental task force (ETF). Each option lasts for 6 months apart from the full-time education and training option, which can last for up to 12 months. Failure to take up an option may lead to the loss of benefit; therefore, there is an element of coercion. Peck and Theodore (2000) consider what workfare-related schemes such as the New Deal might mean as regulatory strategies (see also Grover and Stewart, 1999). Peck (1999) also suggests that the New Deal for the unemployed produces, and is likely to produce in the future, a range of unwanted labor market effects, most significantly to create a forced labor supply for contingent jobs.

these sets of changes in turn. We then explore manager's reactions to the overall upscaling and professionalizing of the sector, focusing specifically on their reduced role in decision making for their shops. In closing we make some recommendations regarding change and future policymaking in charity retail and extend these to encompass nonprofit organizations in general.

## RESEARCH METHOD

While managers in commercial (or noncharity) retail have received much attention, managers in charity retail have yet to be the main focus of research. Because of the lack of existing literature in the area, we decided to adopt a combination of qualitative and quantitative techniques. The research took place during the summer and autumn of 2002. Initially both head office managers and branch managers were interviewed using a semistructured format (although the data from interviews with head office managers are not reported on here). This was followed by a nationwide survey of branch managers. The initial, more, open-ended approach facilitated the exploration of a range of issues concerning the day-to-day experiences of branch managers in connection with the professionalization of the sector. These interviews were drawn on heavily in the subsequent design of the survey. In the analysis that follows we use material from the earlier interviews to supplement and augment data gathered in the survey phase of the research. We should note here some of the difficulties we encountered in meshing these two forms of data. The survey data merely provide trends of opinion and make little allowance for individual interpretation; whereas in the interview context, participants expressed both more nuanced and often extreme views. Therefore while we present some of the survey findings and use these to identify pertinent issues, we use quotations from the interviews to explore these issues in further detail.

In phase one of the research we conducted interviews with head office managers from 19 charities in the UK (we do not report directly on these interviews here). Then we interviewed 18 shop managers from 10 different charities (eight of these charities are represented within the top 20 UK charity retailers—listed by total profit—in the NGO Finance charity shops survey, 2000). In addition 9 of these 10 charities operate at least 100 shops across the UK. Larger charities were deliberately chosen to explore the impact of head office policymaking and the wider process of professionalization on shop managers. Interviews with charity shop managers were conducted in three city locations, one city in the midlands (central England) and two cities in Scotland. For reasons of convenience, a method of cluster sampling was employed; localities with high concentrations of charity shops were identified within each city, using online Yellow Pages.

Interviews were conducted in the kitchen area or stock preparation area of each shop. Each interview lasted 60–90 minutes and was tape-recorded. The topics

explored in the interviews reflected the research objectives of gaining an understanding of the experiences of shop managers of the continuing professionalization of the sector. The interviews began by exploring the changes that have taken place within the charity retail sector over the last decade, and how this has impacted on managers' day-to-day experiences.

The second phase of the research involved a nationwide survey of charity shop managers. The head office managers interviewed in phase one of the research were contacted initially by post, with a project outline. Their verbal consent was then gained, to send out copies of the questionnaire to their shop managers. Seven charities agreed to participate. Self-complete questionnaires were sent out to managers and assistant managers in each of these seven charities in October 2002. Two questionnaires were sent to each outlet, one for the manager and one for the assistant manager (where present) to complete. In total, 826 questionnaires were returned.

## CENTRAL ISSUES

This paper draws from two main streams of literature for its conceptual framework. First we focus on the issue of the professionalization of nonprofit organizations (and the charity retail sector in particular), and second we explore the issue of managing change that such a process of professionalization in the nonprofit sector has brought about.

### **Professionalism in the Nonprofit Sector**

Mulhare (1999) observes the development of a professional culture within US nonprofit organizations; the same can be said of nonprofit organizations in the UK. Throughout the 1980s and 1990s nonprofit organizations began to develop an identity and character of their own. Nonprofit managers were in the process of forging a common professional identity. However, this identity relied on techniques borrowed almost exclusively from business and industry for its foundation. Close links were particularly evident between these new "nonprofit professionals" and the strategic planning movement (Bryson, 1988; Drucker, 1990; Mulhare, 1999). Mulhare (1999) observes that the planning movement provided a strong basis for nonprofit managers' identities as professionals, finding that

managers interpreted reluctance to adopt strategic planning, or inability to make strategic planning work as a signal that the nonprofit organization lacked experienced, skillful, professional management. . . strategic planning had become a symbolic demonstration of management competence, whether or not planning benefited the nonprofit organization in other ways. (Mulhare, 1999, p. 327)

Nonprofit managers invested in, and therefore believed in, strategic planning to such an extent that when results were poor, they blamed the culture of the organization rather than the strategic planning technique. The story is similar in

the marketing arena, as early as the 1970s strategic marketing techniques were being overlaid onto the nonprofit sector (Kotler, 1974).

Undoubtedly professionalization is a process that has been occurring across the nonprofit sector but is subject to a range of interpretations. For example Ban *et al.* (2003) view professionalization as an organization's ability to attract "professional" staff. Amongst senior managers in the charity retail sector Goodall (2000) finds three interpretations of professionalism. Broadly these were associated with being paid, being a member of a specific expert work community, and being generally competent and business-like. Commentators have recently begun to explore the implications for the professionalization of the charity retail sector for those working within it (Broadbridge and Parsons, 2003a; Parsons, 2004a). Charity retail has not escaped trends within the wider nonprofit sector, senior managers have been employed from commercial (noncharity) retail at head office positions transferring across management knowledges and techniques developed in the for-profit sector. Broadbridge and Parsons (2003a) highlight in particular the clash of cultures that exist between head office staff and shop level managers as approaches introduced to promote commercially oriented results sit uneasily with the voluntary culture within the shops.

The nonprofit sector is indeed characterized by a wide range of stakeholders and charity retail is no exception. Management requires sensitivity to the range of stakeholders and their varying interpretations of the role and function of the organization. In the case of charity retail at the local level these stakeholders include donors, volunteers, customers, and managers. Each of these groups has varying views on the role and function of charity retail. Commentators have repeatedly questioned the role of the shops for these groups (Horne, 2000; Parsons, 2002). Do they exist merely to raise funds for the parent charity? Do they have an additional role in providing low cost clothing and household items for customers? Additionally, with the introduction of new forms of volunteers who have been excluded from paid employment for a range of reasons should the shops play a role in facilitating rehabilitation and re-training for the workplace? Broadbridge and Parsons (2003b) further explore the role of the shops in countering social exclusion in their localities, questioning the extent to which recent moves to become more "professional" have diminished this role.

### **Managing Change in Nonprofit Organizations**

Undoubtedly the move within the nonprofit sector to manage operations more professionally has involved a significant amount of change both to operations themselves and to the ethos of these operations. However, commentators have argued that many approaches to change (particularly those imported from the for-profit sector) lack a focus on the specific capacities of nonprofit organizations. Salipante and Golden-Biddle emphasize the importance of "mission, core

expertise, and the long-term frame of nonprofit organizations” (1995, p. 18) in developing an approach to change. Their discussion of the central role of traditionality in nonprofits champions an internally focused approach as opposed to entirely externally focused approach to change, typically adopted by for-profit organizations:

with respect to organizational change, fundamental differences between the sectors in markets, authority structures, accountability, and numerous other factors make it unwise for nonprofit leaders to wholeheartedly adopt for-profit practices of strategic planning. (Salipante and Golden-Biddle, 1995, p. 4)

Jeavons (1992) emphasizes the values expressive character of nonprofit organizations and exhorts nonprofit managers to analyze issues in historical, cultural, and moral terms that can go largely unconsidered in other managerial settings. He emphasizes three concerns in particular:

the ethical integrity of the organization, the degree to which the organization’s performance actually serves the public good, in the broadest sense of that term, and the degree to which the treatment of employees and volunteers honors the moral and social values that the organization intends to project in its service work. (Jeavons, 1992, p. 416)

DiBella (1996) in his research on culture and planned change in an international organization reminds us that the meaning of planned change will be subject to reinterpretation due to the presence of subcultures. He finds that “differences between cultural boundaries and between levels of integration and analysis lead to multiple insider interpretations of a changes experience” (1996, p. 369). In the charity retail context it can be argued that a range of subcultures are present—particularly stark are the differences between a head office “business” culture and a shop floor level culture strongly influenced by volunteerism (Goodall, 2000).

Durst and Newell (2001) in their analysis of reinvention in nonprofit organizations argue that executives play a primary role in instigating change—in their case in influencing whether an organization seeks reinvention. A high percentage of the nonprofit organizations in their study reported that high-level administrators were engaged in designing reinvention. They found that strategic planning, introduction of new processes, increase in opportunities for employee participation, redefinition of organizational mission, and the reorganization of the workforce were among the most popular reorganization techniques. However, interestingly their study also found that while respondents tended to agree that reinvention was positive in improving client services, increasing productivity, and managing costs, they were less positive about the effects on employee morale (Durst and Newell, 2001, p. 450).

Empirical studies in both nonprofit and for-profit contexts suggest that organizational change is largely unplanned and stems as much from the practices and experiences of those in lower levels within the organization as it does from top down strategic planning (Mintzberg, 1994). Indeed Gregson *et al.* (2002) in their analysis of charity shops emphasize the difficulties that senior managers

encounter in translating their “talk” into practice at the local level. The nonprofit sector as an entity in itself has been widely debated (Kendall and Knapp, 1995; Salamon and Anheier, 1996). The widely diverse contexts of nonprofit organizations suggest that one-size-fits-all approach to managing change is doomed to failure (Young *et al.*, 1993). This diversity additionally exists within subsectors of the nonprofit sector. The charity retail sector is a case in point, embracing huge diversity (Parsons, 2004b).

## RESEARCH FINDINGS

### The Charity Shop Managers: A Profile

Before exploring managers’ experiences of change it is instructive to look at a profile of these managers. Table I shows a profile of a typical charity shop manager, based on the survey results. This table shows that an overwhelming 94% of respondents were women and nearly half (47%) aged 50 or over. Managers tended to be married or living with their partner (70%), have no dependants (61%), and not be the chief wage earner in their household (61%). This is just as well because for 92% of managers, their annual salary amounts to £12,500 or less. Most of these managers tend to be educated to GCSE/Standard grade level or lower (66%) and 22% of the sample had no formal educational qualifications.

The relatively low level of formal educational qualifications of these managers might be a product of their age. In the era in which these (mainly) women were of traditional educational age it could be argued that less emphasis was placed on educational achievement for women. In addition in interviews with these managers many of them mentioned that they had spent the early part of their working lives bringing up families. This profile is useful in providing a background and rationale

**Table I.** Profile of a Typical Charity Shop Manager (Based on Survey Results)

	% of sample
Women	94
Age 50 or over	47
Married/living with partner	70
Not chief wage earner in household	61
No dependants	61
Highest educational qualifications GCSE/Standard Grades or lower	66
Annual salary £12,500 or less*	92
Total sample	826

\*Full-time managers working 32 hours or more a week.

**Table II.** Shop Managers Reactions to New Forms of Staff (%)

	Positive/very positive	No opinion	Negative/very negative
The introduction of paid managers	92	5	3
The introduction of paid staff (nonmanagerial)	73	18	9
The use of new forms of "volunteers" (e.g., New Deal)	56	29	15

for managers' reactions to a series of changes that have recently been introduced in charity retailing. This series of changes are explored later.

### The Introduction of New Forms of Staff

Managers were presented with a series of changes connected to the professionalization of charity retail, and were asked to indicate the degree to which they felt the changes were positive or negative. Increased competition in the charity retail sector and within the voluntary sector in general has meant that charities have had to look toward new sources for voluntary help. We asked shop managers how they felt about the use of these new forms of volunteers. The results are shown in Table II.

Perhaps not surprisingly, given that the survey sample was constituted of paid managers, the respondents felt very positive about the introduction of paid managers in the shops. Ninety-two percent of managers surveyed said they felt this was either a positive or a very positive move. The managers were less positive about the use of new forms of "volunteers" such as New Deal work placements. A significant minority (15%) felt that this was a negative move within the sector. These work placements bring with them a certain amount of paperwork and some managers noted that because they were not present voluntarily, these work placements were less likely to work as hard as volunteers:

Because with New Deal it is often people that can't work or won't work. So they really don't see why they should be here. And they can be hard work as well. With them you have got a lot of work for yourself with training them and you have got forms to fill in for them. . . . Because with New Deal they need a lot of training and if you are busy doing that with them then everybody is getting ignored. (Shop manager, charity A)

However managers also had success stories to tell about their experiences working with New Deal work placements:

I've had a couple of successes with New Deal, like I say Emma was New Deal, she is now my Assistant Manager. About a month after I started we had another New Deal girl and she'd only been here about three weeks and they said that they were advertising my position at the (adjoining town) shop. So I pushed her forward for that and she got it. And she is still there now. She is Assistant Manager in (adjoining town). We have had a couple of good successes with New Deal. (Shop manager, charity B)



You are seeing some of the young chaps that you have had on skill seekers or on New Deal going out and getting themselves jobs. Knowing full well that they have never had a job before. So you think to yourself that you have done something positive here. So that is great. And we always try to keep in touch. We have a huge list of people. We are absolutely like mother hens – it's ridiculous. We don't want to let go half of them. (Shop manager, charity E)

Other “new forms” of volunteers include those volunteering for rehabilitative reasons, those who have been excluded from the paid workforce for a range of reasons such as a criminal record or mental ill-health or disability. These types of volunteers can provide obstacles for shop managers, particularly as some may require extra training and supervision. One manager had had a particularly frustrating experience managing two adults with learning difficulties. These volunteers were originally placed by a local organization with the previous manager and therefore they were “inherited” volunteers:

I've come in and completely changed the shop and simplified it. Not for the customer, but for the trainee, so that they know where to put the stuff. And you still find that after an hour that you are down there and you are putting everything back where you want it to go. And that really really frustrates me. Because I'm then down there for an hour when I could have been down there doing it myself for fifteen minutes but I was up here doing something else. I can't be in ten places at once and I find it really frustrating but it makes me angry as well because it's just like talking to myself. . . I came to the shop to help a charity; I did not come to retrain adults with learning difficulties. If I wanted to do that I would have gone and worked with (name of local organization that benefits adults with learning difficulties). (Shop manager, charity C)

While managers may feel positive about the introduction of new forms of volunteers in the shops (Table II), they have brought some difficulties with them. The presence of such staff makes clear some of the tensions between the shops function as a fundraising mechanism and their requirement to act charitably toward their staff. Clearly the shop manager is often at the centre of this tension.

### **Changes to Pricing and Presentation of Stock**

Table III shows managers' reactions to changes relating to stock pricing and presentation. Overall, managers felt positive about all five of the specified changes to operations.

Offering new goods for sale was one of the least popular of the stock-related changes, with a third of managers (32%) finding it to be a negative or very negative practice. In interviews, managers, commented on the amount of extra paperwork that new goods bring with them. In addition many felt that offering new goods for sale detracted from their interpretations of the central principle charity retail:

They are getting more and more into new goods, bought in stock. . . I don't really agree with having this new goods budget and having half the shop filled new goods, because its not charity, its taking away from the principle basically. (Shop manager, charity A)

**Table III.** Shop Managers Reactions to Changes to Stock Preparation and Presentation (%)

	Positive/very positive	No opinion	Negative/very negative
Standardized décor and shop fittings	75	12	13
Standardized pricing and ticketing	62	14	24
Standardized merchandising	57	15	28
Offering new goods for sale	51	17	32
Standardized window displays	49	16	35

Managers displayed similar reactions toward standardized merchandising and standardized window displays with around a third (28% and 35% respectively) feeling that these practices were negative or very negative. Charities have introduced a policy of creating standardized pricing through the use of price guides in their shops; this practice was seen as negative by 24% of managers.

With such standardization one manager felt that “bargain hunting,” one of the oft-cited pleasures of charity shopping retailers, would be destroyed:

They want everything to be departmentalized. . . so that everything is very sectioned and categorized. Before, when you were doing your display, you would have a little bit of bric-a-brac and a bit of everything that we sell. So that the customers could go and have a good look round and every corner is different, they don't know what they are going to see. But they (head office) want it all to be very much ordered and like a department store. (Shop manager, charity A)

Some shop managers view bargain hunting as an essential feature of charity shopping, and as what marks them out from commercial retailers, however senior managers in their attempts to close the gap between charity shops and commercial retailers eradicate this form of practice:

Because a charity shop is a charity shop, it's not Marks & Spencers or British Home Stores. They are talking about putting the pink things together etc. And I think it's just crazy when it's donated goods. If you can buy in a whole load of pink clothes, that is fine, but when it's donated things. . . the other thing that they have spoken about is the pricing policy and you can't sell anything below a certain price. We look at our clothes every two or three weeks and if they've not sold we will reduce them. And we maybe just leave things on at half-price, and then they go. But we won't be able to do that. People won't get the bargain that they are looking for in a charity shop I don't think. If we go down the road that they (senior management) are going. (Shop manager, charity F)

### INCREASED EMPHASIS ON FINANCIAL MEASURES

Recent changes to the way in which charity shops are managed have also meant an increased emphasis on sales targets, incentive schemes, and league tables. Table IV shows that target setting and intershop competitions were the least popular of these techniques with 33%, and 39%, respectively of managers viewing these practices as negative or very negative.

**Table IV.** Shop Managers Reactions to Sales Targets, Incentive Schemes, and League Tables (%)

	Positive/very positive	No opinion	Negative/very negative
Performance management appraisals	61	24	15
Managers’ bonus schemes	57	16	27
Target setting of shop income	54	13	33
Intershop competition/league tables	36	25	39

When it comes to targets, many managers reported a certain amount of stress at not being able to reach them. The unpredictable nature of donated goods in the shops exacerbates this tension:

You do think if you are not taking in the money, you think to yourself “what are we going to do.” But I have to admit that when I first started I used to get myself in a right tizzy about it. I was stressed out to the eyeballs. “Oh my God we are not going to make it.” And eventually you just have to sit back and say you can’t force people to come into the shop. If you are not going to make your target, you are not going to do it. There’s no point in getting yourself all het up about it. (Shop manager, charity E)

Other managers (although a minority) appreciated targets as an important form of motivation.

It’s a good incentive. I have always had targets where I have worked. Sometimes I think about what it would be like to have a job where I didn’t have to think, “oh, I’ve got this much to make.” But it gives you something to strive for. It doesn’t bother me really. I think it is more of an incentive. If you are in on Saturday and its four o’clock and you have only got £20 to make your target, it makes you that much more motivated, to get that £20. Whereas if you didn’t have a target, you might be a little bit “oh it doesn’t matter.” (Shop manager, charity H)

Bonus schemes are a contentious issue in charity retail. Any unnecessary spending often meets with the disapproval of stakeholders, particularly volunteers. Therefore where bonuses are offered they are always small and represent a token in recognition of managers’ efforts. These bonus schemes were seen by some managers as “patronising” in their tone. Some managers felt insulted by the suggestion that they might be motivated by such tokens:

Like Christmas cards, a big push on Christmas cards. Your target’s £100 a week. But if you get £150 you get a box of Roses. . . I’m paid to do a job and I do the job to my best ability. And you throw in a box of chocolates, or you throw me something at the end of it, to make me do it, it ain’t going to make me do it any better because I am already doing my best. And that is totally naff, and if they were any sort of managers they would know that. If you got a manager that is not doing her best, get rid of her and get another one. (Shop manager, charity B)

The use of target setting, intershop competitions, and league tables appears to be another attempt by senior managers to close the gap between charity retail and commercial (noncharity) retail. These techniques introduce open competition between shops, and for some managers this runs counter to their view of

**Table V.** Shop Managers' Experiences of Decision Making at Head Office Level (%)

	Agree/strongly agree	No opinion	Disagree/strongly disagree
Too many decisions are made by head office without branch managers' consultation	64	20	16
I would like more opportunity to influence decisions made by the charity	51	35	14
I feel constrained by head office rules	50	30	20
My ideas are frequently discounted or ignored by head office	24	54	22

charity retail. Their views suggest that shops should provide support for one another and avoid the openly fierce competition found in the commercial retail sector.

### Overall Centralization of Decision Making and Standardization of Policies

Having focused on some of the details of changes to shop operations, we widen out discussion to focus on managers' reactions to the broad tenor of these changes. Managers were asked to indicate the extent to which they agreed or disagreed with each statement in Table V.

Managers agreed most strongly with the statement that "Too many decisions are made by head office without branch managers' consultation" (64% agreed or agreed strongly). They also tended to express agreement with the statements "I would like more opportunity to influence decisions made by the charity" (51% agreed or agreed strongly) and "I feel constrained by head office rules" (50% agreed or agreed strongly). These findings suggest that managers are concerned about their wider role within the organization wanting to be consulted on decisions made at higher levels and wanting to have some influence within the organization. Managers also expressed that they feel constrained by decisions made at higher levels.

However managers do not tend to agree with the statement "My ideas are frequently discounted or ignored by head office;" over half of the managers surveyed (54%) had no opinion on this statement. This ambivalence suggests that managers are inactive in attempting to change their position; while they do feel that they would like more input at higher levels they are not proactive in presenting their ideas to head office. There may be a range of reasons for this. They may feel intimidated, they may feel that their ideas are not valuable, or it may be that the channels for communicating ideas do not exist.

In managers' reactions to the broad remit of changes occurring within the shops, and in particular the move toward standardization, the tensions surface between senior managers' and shop managers' interpretations of what charity retail

should be. Shop managers focused on the unique capabilities of both themselves and their staff and tended to reject a move toward standardization:

They (senior management) are trying to become very mainstream. They are trying to make themselves. . . I'm all for professionalism, and having the right staff and having the right experience. . . but to make it a blanket thing is. . . because we are all unique and we are all individuals. We all have our own personalities and capabilities and the personality and capability should be put into the right shop and allowed to develop. (Shop manager, charity D)

Shop managers also stressed the importance of local knowledges, of knowing their volunteer and customer cohort and having the ability to react to their needs:

They (senior management) are trying to become too professional and too streamlined and trying to think of themselves as too mainstream. And we are a charity and they are cutting back at the frontline too much and they are not on the frontline enough. These people who make the decisions aren't on the frontline. They (senior management) don't hear what the customers say sometimes. It's outrageous but they (customers) are right. They say that all our shops look the same now, or are too expensive. I just want to go down a hole and die when they say things like that. (Shop manager, charity D)

## CONCLUSIONS

The changes occurring within the charity retail sector have not posed a fundamental challenge to the organization's central purpose (raising funds for the parent charity). Instead, they have impacted the organization at the operational level as staff and volunteers question the *focus* of practices as opposed to their *purpose* (Salipante and Golden-Biddle, 1995). So, for example, staff and volunteers may question whether it is appropriate to sell new goods in the shops, or the extent to which pricing should be standardized.

Changes are largely a product of the increasingly competitive climate within which the shops operate. However, changes are also precipitated by the internal influence of senior managers with a different perspective of the organizational culture to those at shop floor level. As DiBella (1996) observes any attempt to institute change within an organization requires sensitivity to the range of internal interpretations of the organization and its culture. In the case of charity retail we argue that changes instituted at higher levels serve to reinforce senior manager's interpretations of the organization as a "retail business" and pay scant heed to the strong voluntary culture and local knowledges at shop floor level. While charity shop managers are encouraged to develop "ownership" of their stores, at the same time they are subject to policies that increasingly constrain their entrepreneurial activity and deny the use of their accumulated knowledge and skills. The balance between traditionality and change, suggested by Salipante and Golden-Biddle (1995), is an appropriate one in the context of charity retail. However, at present, many senior managers in the sector appear to view traditionality as an obstacle to

change, collapsing notions of charity with those of traditionality as outmoded and unprofessional (Gregson *et al.*, 2002).

We find two main reasons why managers accept or reject changes to practices. First they tend to reject changes that override their accumulated (local) knowledges, particularly their customer-based knowledge of what will sell and at what price. Additionally they view changes that do not take account of their specific competencies as negative. Second, they reject practices that run counter to their view of the organization's identity. This last factor becomes increasingly problematic with the recent introduction of new perspectives on this identity at senior levels of management. We suggest that managers are particularly disdainful of intershop league tables, as such attempts to generate competition between shops reflects the unbridled competition found in the for-profit sector. Similarly, the introduction of new goods in charity shops allies them with commercial retailers and fractures managers' perceptions of the shops as "charity." Standardization of practices such as pricing, merchandising, and window displays not only attempts to wrest control from shop managers but also more importantly disregards their accumulated experiences as shop managers (although managers develop tactics to get around such standardization of practice).

What broader implications do these findings have for managing change in the nonprofit sector? We suggest that they point to the need for an internally (as well as externally) focused approach to change. The potentially negative effects of change on employee morale have been widely documented in nonprofit organizations. We observe in the charity retail context that this may be because changes often dismiss the specific competencies and accumulated knowledges built up through constancy of practices of those working on the frontline. Additionally, such an internal focus would facilitate communication and integration of managers' experiences. Such an approach would go beyond traditional techniques of consultation but rely on a review of the history of the organization to identify its key competencies and build on these in facilitating an approach that embraces both continuity and change.

This paper has raised questions surrounding the genesis and role of "professionalism" in voluntary sector organizations. We have found that increasing professionalism is closely bound up with broader moves to become more enterprising as an organization, but perhaps most importantly is manifest in increased control over the activities of workers on the "frontline." However, such moves can and have caused difficulties. Indeed, Kendall outlines excessive professionalism as one of the drawbacks of voluntary sector organizations when compared to non-voluntary organizations "either because 'over-reliance' on volunteers or on paid staff means that the appropriate skills mix cannot be realized for a given level of output, and/or because the requisite labour is by its nature less easy to steer with either monetary rewards or public sanction" (Kendall, 2003, p. 94). Planning for such an appropriate skills mix is not easy, particularly with the constant blurring of boundaries between paid and unpaid work in the sector.

We have also identified a raft of changes in the charity retail sector that are occurring across the UK voluntary sector. Evidence of the introduction of an enterprise culture into nonprofit organizations can be seen on a range of levels. In the charity retail sector voluntary work has increasingly been cast as a form of self-improvement, good citizenship, and retraining for the workforce. Also, the parallels between fundraising activities and activities conducted for commercial profit-making ends have increasingly been drawn by those in senior managerial positions. Within such a climate of change nonprofits are experiencing an identity crisis of sorts. As Kendall observes, voluntary organizations often embody contested understandings of the very nature of “production” (2003, p. 89). While the primary role of charity retailing is undoubtedly fundraising, the sector is also overlaid with discourses surrounding charity, voluntary effort, and (commercial) retailing. Recognition of such contested understandings should be at the heart of any attempt to effect and manage change not only in the charity retail sector but also in the nonprofit sector per se.

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