


Learning from OSCR's inquiries: Dominant behaviour in charities



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At OSCR we're increasingly concerned about dominant behaviour in charities. Dominant behaviour in a charity's governance happens when one person (or a small group of people) makes all the decisions in a charity and prevents the charity's trustees, as a whole, from acting collectively and doing their job properly or force the charity trustees to legitimise their decisions at a later date. It can and does result in beneficiaries, staff and funders losing confidence in a charity.

More of these types of concern are being raised with us – charity trustees are telling us about them, as well as charity staff or concerned members of the public. Sometimes the issues are serious enough for us to take action under our Inquiry Policy, but even where they aren't, they may indicate issues that trustees should address. We want to help charity trustees and those who advise them to recognise these types of behaviour and prevent or tackle them.

Using the experience of our recent inquiry work, in this report we are going to look at:

- Why dominant behaviour arises in charities and how it tends to arise
- The implications of dominant behaviour
- Preventative steps that can be taken
- How to deal with dominance

Why dominant behaviour arises in charities

Passion and dedication to the cause are often why people get involved in running charities – either as trustees or staff members. Charities need this in order to thrive, but it needs to be channelled in the right way and used constructively so that the charity can benefit from it.

It can sometimes result in those with that passion and dedication behaving in a way that others find difficult to work with, stops them doing the job they're supposed to do and results in them walking away, leaving the dominant person(s) in the charity.

We tend to see problems arise in a variety of situations within charities:

- A person or small group sets up a charity because of a personal experience and they want to help other people who have had or may have the same experience; they believe they know best and dominate the governance of the charity. They may be charity trustees or senior employees of the charity.

- A strong-minded person sets up a charity to deliver a vision or aim they have and act as though it is their personal vision or aim instead of the charity's objectives or purpose. The charity becomes 'their charity'.

Dominance also occurs because other people let a person behave that way:

- a person remains as a trustee or employee for a long time and the institutional memory of the charity remains largely with them; they've been there so long everyone thinks they know best, and the person takes advantage of that to make decisions that they do not have the authority to make alone
- a forthright and confident person is surrounded by others who lack confidence, experience and a willingness to speak up or challenge their behaviour and the person uses that situation to make decisions without authority
- a founder of a charity asks friends or acquaintances to join the board to 'make up the numbers' but those people do not understand that they are taking on a formal role with legal responsibilities, so leave decision making to the founder trustee
- one person is considered by others to be critical to the successful running of the charity and consequently others are wary of challenging their behaviour for fear they will leave, meaning the person is allowed to dominate decision making
- Sometimes the other charity trustees may be content for such an arrangement to continue as it means they have less to do in their role as a charity trustee.

Why dominance is a problem

Allowing someone to dominate the governance of a charity may mean the charity trustees are failing to meet their legal duty to act in the interests of the charity. This means that action needs to be taken to address the issue as it is unlikely to resolve itself.

In addition, not dealing with the issue is likely to result in longer term problems such as:

- difficulties recruiting and retaining new charity trustees and staff
- reputational issues

Where it's a charity trustee who is being dominant, there is likely to be a failure of all the charity trustees to meet their legal duty to act in the interests of the charity – as they won't be acting collectively. Where the other charity trustees

do not deal with the domineering behaviour, this is also a failure to act in the interests of the charity.

Ultimately, it's a problem for all charity trustees when one of them behaves in this way.

It is quite common to see issues arising when a founder of a charity remains as a charity trustee for a long time. Often this is because their views and opinions are considered to have more legitimacy or weight compared to the views of others on the Board. The founding trustee may actively portray that as being the case or it may simply be the pattern that the charity trustees fall into as a matter of default. Either way it means that all those charity trustees are failing to act in the interests of the charity by behaving in that way – either by being dominant or allowing it to prevail unchecked.

Conflicts of interest can sometimes arise alongside dominance. The dominant person may be acting in that way to ensure that decisions are made that benefit them or a person connected with them in some way – for instance, a family member or business associate. Failing to manage conflicts of interest means that charity trustees are not acting in the interests of the charity.

In addition to the implications for charity trustees in meeting their legal duties, there are likely to be practical effects from dominant behaviour such as:

- other charity trustees or members of staff are likely to feel disempowered and not valued for their contribution to the charity which may result in them resigning from the charity
- charity trustees may vote in favour of decisions that they don't really want or believe are right but feel they have no choice due to the dominant person's behaviour
- decisions made about how the charity is run may lack the appropriate thought, perspective and debate which may expose the charity to risk if key factors are not properly considered when making decisions
- dominant individuals may actively prevent well-qualified and experienced trustees from joining the charity because they do not want to be challenged

We sometimes see dominance resulting in reputational problems for a charity where it's left unchecked. This can happen due to:

- inappropriate decisions being made that other stakeholders struggle to understand and have confidence in; for instance, decisions that leave the charity exposed to criticism or risk
- domineering behaviour being exhibited in meetings with stakeholders who may be concerned and surprised by it.

Case Study – Charity A

The founder of Charity A was running it with little or no input from the other two trustees who were friends of the founder. One trustee admitted they were not aware of the constitution. They were not holding trustee meetings, AGMs and lacked the appropriate policies.

Charity A was failing to meet its legal obligations to prepare annual accounts and submit those to OSCR. Governance of the charity was not a priority, and this prompted interested parties to raise concerns with us about it, indicating potential reputational problems. OSCR opened an inquiry into the charity as a result.

How do you prevent dominance from happening?

It's best to deal with dominance as soon as it starts, as the longer it is allowed to continue, the trickier it can be to deal with – both for the dominant person and those trying to address the behaviour.

Here are some things you can do:

1. Have a clear scheme of delegation and report back on delegated decisions at each charity trustee meeting.
2. Trustees should seek regular reports on performance and finance within the charity so that they understand what is happening.
3. Trustees should review how their meetings work in practice to ensure everyone is contributing and feels valued.
4. Policies on whistleblowing and staff grievance procedures should be in place.
5. Trustees should regularly review the charity's governance setup and reflect how it works in practice.
6. A strong system of staff performance management should exist with clear objectives for staff and regular evaluation of performance against objectives.
7. Regular refresher training for all charity trustees on their legal duties and what these mean in practice.
8. Have a strong induction process for new charity trustees to ensure they understand their role and responsibilities.
9. The charity's constitution needs to be fit for purpose and should be regularly reviewed and changes made where necessary.
10. The Board needs to be effective – oust those who are not contributing and recruit trustees who will bring challenge and authority.

How you should tackle dominant behaviour

OSCR expects charity trustees to behave in a way that supports and facilitates them meeting their legal duties as trustees; namely to:

- act in the interests of the charity
- act with the care and diligence that is reasonable to expect of someone managing the affairs of another person

If a trustee is dominating the running of a charity, the other charity trustees should:

- challenge the behaviour of the individual – raise it with them, explain how it is making others feel, the issues and risks it is potentially causing for the charity and seek to understand why the individual is behaving in that way.
- be clear that the behaviour needs to stop – all the charity trustees have a role to play in ensuring this is the case and it is not acceptable to allow it to continue.
- seek help from a professional if you need it – if the dominant person resists challenge or intervention, consider getting support from someone impartial to facilitate the conversations that you need to have.
- if the behaviour does not change and continues to impact the governance of the charity, be prepared to take formal action such as removing the person as a charity trustee ensuring that any action taken is in line with the governing document.

If an employee is being dominant, the charity trustees should:

- Agree among them how they are going to tackle the issue and develop a plan.
- Initiate a discussion with the employee about their behaviour to explain the issue and the impact it is having on the charity, including, where appropriate, the impact on the charity trustees.
- Provide adequate opportunity for the individual to reflect on their behaviour as they may not have been aware of it.
- Offer support to the employee to help them change their behaviour – this might be provided by an independent person who can act as a coach or mentor.
- Where change isn't forthcoming, you may need to consider formal procedures. Ensure any steps comply with employment law and follow any relevant terms within the employee's contract of employment and the charity's HR policies.

It can be helpful to consider the reason why the dominant person is behaving in that way as this can help trustees to deal with the issue in a focused way and to manage the risks arising from the behaviour.

Sources of help and guidance

- [Scottish Third Sector Governance Code](#)
- [Understanding roles and responsibilities](#) – SCVO
- [SCVO Good Governance check up](#)
- [Scottish Mediation](#)
- [ACAS guidance on discipline and grievances at work](#)