ARMA FINANCE & GOVERNANCE REVIEW

FEBRUARY 2022

Starting point

2021 marked the start of a new strategic period for ARMA, with the close of the previous one marked by successful negotiation of the uncertainties presented by the Covid-19 pandemic. This made it a good time to reflect and consider whether the underlying organisational structures are still the right ones going forward.

Following a call for proposals, Stephanie Richardson was commissioned to undertake a finance and governance review. Stephanie is a consultant working with membership associations and in higher education and was asked to review organisational leadership and delivery structures and the membership scheme. This included considering the feasibility of a move to an organisational membership.

Methodology

The research kicked off in September 2021, with a full-scale document review covering all aspects of the running of the organisation, from the Articles of Association to Board meeting minutes and the Institutional profile of the membership. This was followed by interviews with all staff and current Board members, as well as the Chairs of the HEI recruitment and Member Engagement working parties. The aim of these was to understand the ways in which the organisation operates in practice- decision making, the distribution of work, current issues, plans and progress towards organisational objectives. Member volunteers were also asked about their own Institutions policies towards association memberships, and where the policy/purchasing decision is made. They were also asked about membership and experiences of other associations, to inform the competitor analysis and the investigation of membership schemes.

These latter questions were also explored via interviews with a small group of Research Directors (mainly those without Group membership) and through a comparator review. This looked in depth at the membership structures and financial models of Vitae, the Association of Graduate Careers Advisory Services (AGCAS), the Chartered Institute of Library and Information Professionals (CILIP), the Australasian Research Management Society (ARMS) and PraxisAuril and included interviews with members of the senior team (generally the CEO) for each of those associations, as well as a more general review of typical structures for membership associations.

To gain a wider perspective, additional questions were added to the regular member survey (particularly relating to whether individuals pay their own fees, have them paid directly by employers or are able to reclaim them) and Stephanie also attended the ARMA funder round table.

Findings from all of the above were analysed and used to make recommendations, delivered to ARMA and considered by the Board in January 2022.

Research Findings

Summary

ARMA is clearly a well-thought of organisation, which thrives as a result of enormous goodwill and the role it plays in driving the capability and professionalism of the research management community. However, the organisation needs to move to the next stage of its development, to a more strategically driven association which delivers value to the community via a broad range of activities.

Internal documentation & member survey

Information relating to the organisational structure and role descriptions shows that there is a strong group of dedicated volunteers committing significant amounts of time to the organisation. This and efforts made to control costs allows it to reinvest income from members directly into providing activities for members. There are many areas of strength - for example the relative reliability of income from training and qualifications and the successful move to online delivery which has maintained revenue streams in difficult times. This has also removed some of the barriers to attendance for time-poor research managers.

However, efforts to keep costs low are not always appreciated; whilst in general the results of the survey are overwhelmingly positive, there is a thread showing a perception of poor value for money. This may be related to the focus by the organisation on the financial cost of membership rather than the overall benefit. Communications to members (and potential members) are focused on the transactional (e.g., emails focus on publicising events and other paid for activities) and there is no clear membership strategy to act as a point of focus. Whilst the member engagement working group and the HEI working group have lots of good ideas that would support change in this area it is not clear how under the current structure these could be coherently delivered.

Board & Staff interviews

"The Board can't be inclusive- the workload is so much you can't take it on if you have commitments" (Board member)

Interviews with staff and volunteers show strong commitments to ensuring the organisation is 'member-led'. This is brought to life by the work of the Executive Board, who are responsible for the delivery of organisational objectives, on a voluntary basis, in addition to very demanding day jobs. Some Board members are spending more than a day a week delivering ARMA activities. There was concern that this is not sustainable, either for the individuals concerned or for the organisation, as it restricts the pool of future Board members to those able to make this commitment, and its operational nature uses capacity that might otherwise be undertaking the longer-term, strategic thinking needed at this level. It undermines efforts at diversity, equity and inclusion and it also affects the range and reliability of activities undertaken- sometimes the day job just must come first. One area of frustration is that of advocacy and influence- it can be difficult to mobilise effort in this latter area, although it is acknowledged to be important in giving the community a voice.

Overall, there is a strong sense that the organisation needs to change, without undermining its core ‘member-led’ principle, and that new financial and leadership structures would be needed to support that.

One suggestion made repeatedly is that this might be achieved by the implementation of a corporate rather than individual/group membership scheme- where the Institution pays a set fee which covers all research managers and administrators in their organisation. This would remove the barriers to membership for some Institutions which are currently ‘outside’ or that have low numbers. It would also have the benefit of widening access for individuals (the Institutions would not have to prioritise), better supporting ARMA’s mission and perhaps increasing volunteer capacity.

Research Director Interviews

This suggestion was further explored via interviews with 4 Research Directors, with and without ARMA group schemes. All were supportive of ARMA, thinking it good for the community, however, all would prefer an Institutional scheme to the current structure. This was mostly for cost reasons, although one posited that it would also allow more individuals to benefit from ARMA and in a way that would allow them to dip in and out depending on their current needs. It would also overcome University policies to not pay for individual subscriptions. The fee would need to be set at a level comparable, for example, to that of PraxisAuril (currently £995).

Funders

Where much of the issue for members within HEIs is around cost, the issue from the funders seems to be more around benefit. In general, they indicated that they had not previously thought that ARMA was open to them, and they would be happy to join if the benefits are tailored appropriately to them. For example, in the content of qualifications, through tailored, flexible training and through mentoring and secondments. There was a real focus in the discussion on community, both in terms of bringing funders together and in helping boost international connections and networking.

Comparator organisations

It is inevitable that views of ARMA are mediated by views of comparator organisations; even though none cover the same area, they are known to members and particularly to those responsible for the payment of fees. PraxisAuril was mentioned repeatedly in stakeholder interviews as providing better value for money and having a higher profile. However, it has an entirely different financial model with enough income from other sources that membership fees can used purely to fund advocacy work. Vitae also has an Institutional membership, but the fees are much higher; it is also finding some conceptual tension between this model and the core activities it provides of career and professional development, which have a very individual focus. This issue of professional development and recognition being more aligned to individual membership was also highlighted in an interview with CILIP.

One organisation which has recently moved from an individual membership to an Institutional model is AGCAS; this has allowed them to increase the number of individuals reached although there is a question as to whether this will be sustainable without additional resource when there is a return to face-to-face delivery. ARMS also has an Institutional membership but, like PraxisAuril, it has very diversified income streams where membership does not cover its costs; income from the conference, events, partner events, training and accreditation enable the running of the organisation and staffing of the executive office. As a result of their rather different business models, most of the above organisations charge significantly more for their training & development workshops than ARMA.

In all of the above organisations the staff team is responsible for delivery of activities with strategic oversight from a non-Executive Board. In this way they are still perceived as being very much 'member-led' whilst not being operationally 'member-run'.

What does this mean for ARMA?

Leadership structures

Doing nothing is not an option- the organisation needs to move from being member-run to being member-led; where the Board gives strategic direction, leadership, challenge and guidance but is not simultaneously undertaking operational delivery. To do this will involve new leadership and delivery structures. Recruitment of a CEO who can work with the Board to change ways of working is the most likely way of delivering change, but over time, consideration should also be given to the appointment of a Head of Membership who can support member recruitment and engagement and drive membership growth.

Fee structure

> *"Having larger numbers in institutional membership could change the complexion of what we do and the whole nature of the organisation"-Head of Membership, Sister Society*

There would undoubtedly be clear benefits to budget holders of an institutional scheme, and it could increase ARMA's reach and the pool of potential volunteers. However, modelling this at the level that Institutions would be willing and able to pay without difficulty would reduce ARMA fee income significantly to a point that would not be affordable. Whether the structure is banded, to reflect the size of the Institutional member, or a flat rate, income would be insufficient to maintain current levels of activity. It would also change the nature of the relationship with the members, and the governance structures, with the potential for Institutional priorities to take precedence over the needs of the individual research managers, and for those from smaller institutions or working independently to become disenfranchised. ARMA should retain its existing individually based scheme, with group discount.

Financial growth

To afford the additional staff resource required to move from a 'member-run to a 'member-led' model ARMA will need to increase its income consistently. One way to do this is through membership growth; keeping the existing scheme but focusing on the value (rather than the cost) of membership and the delivery of the activities identified by the member recruitment working party. Key will be the definition and clear communication of ARMA's member value proposition- not a list of services, but a statement that offers a compelling rationale for joining, engaging and participating. Moving further away from a transactional organisation to one which gives a sense of community and belonging will also support this, as it will enhance the sense of value individuals gain from membership and pique the interest of non-members. With conscious effort this can be translated into new members and the improved retention of existing members. There is also scope to broaden the membership by offering more to research administrators, for example, and to continue to work on engaging the major funders and research institutes.

Policy and representation

There are mixed views in the survey and from the interviews as to how well ARMA undertakes policy work and represents the profession; this type of activity really adds to the member value proposition as well as raising the profile and reach of the organisation. Current members absolutely have the expertise and knowledge to input into this area, provided they are given the opportunity. This needs to be properly planned and managed; this could be undertaken by the new CEO or a Head of Membership.

Implement a communications and content strategy

This may be a function of the period in which the research was undertaken (with a virtual conference coming up) but the content of all communications channels focused on selling places at events which ties in with members' impression that there is very little of value included in the membership fee. There are other activities undertaken by ARMA which could be included, and if the policy work was developed further that would also add value. A proper communications and content strategy should be implemented, encompassing members communications, internal (including volunteer) and external communications, to ensure best use of limited resources, to keep focused on strategic priorities and to provide well-planned commissioning and publishing of high value content.

Be bold and confident

> *(ARMA's unique role) "Giving a voice to what is often an overlooked but key part of an ecosystem" (Board member)*

This report has described various tangible and practical changes that might be made to the finance and governance of the organisation, and to the way it communicates. The key success factor is however likely to be that of culture- being brave and confident in ARMA's distinctive value and breaking free of the tie of comparisons (particularly financial) with other organisations.

The whole organisation needs to find a way to view financial growth as the means to deliver organisational purpose and value to the community rather than defining aspirations based on resources currently available. And, most crucially, if the Board decides to invest in new leadership, it will need to be able to delegate and empower staff to do their jobs; remaining an engaged Board which provides insight and advice to the CEO and takes responsibility for overseeing performance, but which is not so intensely involved in day-to-day operations.

Conclusion

Overall, this is an exciting time for ARMA, with a real opportunity to start the organisation on a path to growth, both in terms of governance and finances, which will move it to the next stage in its development from a member-run start up association to a member-led one which is confident in its role and offering and continues to keep membership at its heart.